

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—TWENTY SEVENTH PARLIAMENT

15 ELIZABETH II

VOLUME V, 1966

COMPRISING THE PERIOD FROM THE TWENTY EIGHTH DAY OF APRIL, 1966,
TO THE TWENTY FIFTH DAY OF MAY, 1966, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

23033—280½

HOUSE OF COMMONS

Thursday, April 28, 1966

The house met at 2.30 p.m.

PRIVILEGE

MR. IRVINE—INABILITY TO OBTAIN ELECTORAL COMMISSION REPORTS

Mr. Jack A. Irvine (London): Mr. Speaker, I rise on a question of privilege arising out of proceedings in this house. Previous to the opening of parliament I sent in certain questions for the order paper, one of which became question No. 48. It was supposed to have been answered yesterday, but I suggest that what was given was hardly in the nature of a reply.

The question had to do with the cost of advertising in various daily newspapers throughout the country regarding the proposed federal electoral districts. The answer I received to my question is as follows:

> As was stated in reply to question No. 148 on February 2, 1966, pages 585-6 of *Hansard*, the commissions set up under the Electoral Boundaries Readjustment Act do not report to the government so that the government does not have records giving the information sought in this question. Under section 10 of the act the commissions are not agencies of Her Majesty. Reports of the commissions are made directly to the House of Commons.

Mr. Speaker, are not the readjustment commissions directly or indirectly employed by this house? Are they not responsible to anyone, or do they just kind of sail off all by themselves and do whatever they wish? Can they squander perhaps millions of dollars of the taxpayers' money and not have to account for it? This seems to me to be very unreasonable.

• (2:40 p.m.)

I think there are many people throughout the country and in this house who want to know exactly how much this program did cost. I would not say it looks as though it was money thrown into an election campaign, because I do not think that would be fair, but some time I would like to move or cause to be moved if it is not my prerogative, that the redistribution commissions be not paid until such time as they have made a proper accounting to the members of this house of exactly how much money was spent and in what manner it was spent. The people of Canada want to know this, Mr. Speaker, and I should like to know it too.

Hon. R. A. Bell (Carleton): Mr. Speaker, on the question of privilege raised by the hon. gentleman may I say that at least part No. 5 of question 48 is within the knowledge of the government. That part is, what was the total cost for this entire program? These cheques were issued by the comptroller of the treasury, who is in a position, then, to answer the question.

This same matter has been before the house on other occasions in respect of certain questions that I asked. Incorrect and improper answers were first given, and it was necessary for me to ask whether the comptroller of the treasury had issued the cheques. He admitted that he had, and the information was forthcoming. I venture to suggest to the Minister of Finance that the answer to question 48, certainly in so far as it applies to part No. 5, is totally erroneous.

Mr. Speaker: Order, please. The question of privilege just raised by the hon. member for London is substantially the same as that which was raised yesterday in the house by the hon. member for Edmonton West. I have since then considered the matter, as I said yesterday I would.

If I may summarize the problem, the hon. member for Edmonton West and the hon. member for London had asked for certain information with respect to commissions set up under the Electoral Boundaries Readjustment Act. The answer provided by the Secretary of State in the three cases was generally to the effect that the commissions set up under the act do not report to the government but rather to the House of Commons, and that the government does not have at its disposal the information sought.

The hon. member for Edmonton West took the position that the individual representation commissions are emanations of the house and responsible to the house, and that the only method of communication with the commissions is through the Secretary of State. The hon. member went on to say he realized that the commissions are not responsible to the government, and in the course of his remarks suggested that the Chair take under consideration the question of the possibility of compelling the commissions to answer. I indicated, as I said, that the matter would be

studied, and particularly the suggestion made by the hon. member for Edmonton West on this point.

In the first instance I should say that the responsibilities of the Speaker with respect to the Electoral Boundaries Readjustment Act are limited. Under section 6 (2), two members of a provincial commission other than the chairman and the representation commissioner are appointed by the Speaker of the House of Commons. As hon. members know, under the act the various commissions send copies of their reports to the representation commissioner, who in turn transmits a copy to the Speaker under section 19 (1) of the act. It is the Speaker's duty thereupon to lay the report before parliament.

The Speaker then has a further obligation under section 20 of the act to receive objections, and on the conclusion of consideration of those objections he must refer the reports, objections and relevant debates of the House of Commons back to the representation commissioner. These various obligations, it seems to me, constitute the responsibilities of the Speaker in these matters, and I am afraid I cannot accept the suggestion of the hon. member for Edmonton West that I can compel the commissions to answer questions raised in the house affecting the conduct of their responsibilities.

Hon. members will have noted that the Secretary of State, in dealing with question No. 48 in the name of the hon. member for London and questions 202 and 212 in the name of the hon. member for Edmonton West, in effect stated that she was not in a position to make replies. Therefore I think we have to assume that the questions have not in fact been answered by the Secretary of State, and she has given certain reasons for adopting this attitude.

That being the case, I do not see how the Chair can compel the minister to answer, and I need only refer the hon. member to citation 181 (3) of Beauchesne's fourth edition, which is of course well known to the hon. member for Edmonton West and to all hon. members of the house, where it is stated:

> A minister may decline to answer a question without stating the reason for his refusal, and insistence on an answer is out of order, no debate being allowed. A refusal to answer cannot be raised as a question of privilege, nor is it regular to comment upon such refusal. A member can put a question, but has no right to insist upon an answer.

I quite appreciate that in the case of the three written questions the Secretary of State did indeed make a statement, but I do not think in reading that statement it can be regarded as an answer to the questions. It seems to me it merely takes the position that the minister cannot make an answer and, that being so, under the citation I have just quoted I fear I cannot accept the view that the hon. member for Edmonton West has a question of privilege. This applies equally to the hon. member for London.

I must say I have some understanding of and sympathy for the hon. members' position. While I have found that there does not seem to be a question of privilege in the matter raised, it does seem to me that the hon. members may very well have a grievance which they could legitimately raise at the first opportunity, or should they care to do so they might consider the advisability of placing on the order paper a motion for the production of papers, in which case it may be that the Governor in Council would produce the information sought through the Secretary of State, who under the statute is the channel of communication between the representation commissioner and the Governor in Council.

REDISTRIBUTION

ORDER TO BE FOLLOWED IN DEBATE ON OBJECTIONS TO REPORTS

Hon. G. J. McIlraith (Minister of Public Works): On Monday last I proposed that the question of allocation of time for the consideration of objections under the Electoral Boundaries Readjustment Act be referred to the business committee.

In accordance with subclause 3 of standing order 15A, the business committee is pleased to report that it is now unnecessary to make any recommendation for such allocation of time.

Hon. Michael Starr (Ontario): In view of what the government house leader has just said, Mr. Speaker, I wonder if he would advise the house as to the sequence that will be followed in considering the objections according to provinces in the next few days.

Mr. McIlraith: Yes, Mr. Speaker, I will be glad to do that. Today we will begin with consideration of the New Brunswick motion, then proceed to the objections concerning the Alberta redistribution and afterward those concerning British Columbia. Tomorrow, whether or not we have completed the British Columbia objections, we will take up the Ontario objections first. When the Ontario

objections have been completed we will go on to the objections, if there are any remaining, from British Columbia, followed by the objections relating to the province of Saskatchewan, then Manitoba and finally the remaining objections concerning the province of Quebec.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO GOVERNMENT INTERVENTION IN CURRENT DISPUTE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister tell the house what has been done in the tranquilization processes he has been called upon to utilize since he received the authority of the broadcasting committee in connection with the dispute between the Canadian Broadcasting Corporation and the producers of "This Hour Has Seven Days"?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have received a copy of the report of the committee of the house dealing with this matter, and have been giving consideration to the suggestion made in that report. I have also received a copy of a telegram sent this morning by the president of the Association of Television Producers and Directors. It is addressed to the Prime Minister, and it informs me that the producers will abide by the expressed will of the parliamentary committee on broadcasting and will suspend their decision—quoting from the telegram—

> —to recommend a complete withdrawal of our members services not later than ten p.m. eastern daylight time Sunday, May 1, provided the officers of the corporation suspend their decision in the matter of "Seven Days" posts pending mediation.

I am awaiting, Mr. Speaker, the reaction of the management of the Canadian Broadcasting Corporation to this telegram before I make any decision as to whether the government should intervene and, if so, in what way.

Mr. Diefenbaker: Would the Prime Minister say whether he communicated directly with the president of the C.B.C. in this connection and what reaction, if any, he received?

Mr. Pearson: No, Mr. Speaker, I have not communicated directly with the president on this matter. I think I will await the president's reaction to this telegram. If I have not heard from him by this afternoon I will get in touch with him.

Mr. R. Gordon L. Fairweather (Royal): A supplementary question. I think it would be helpful if the Prime Minister could explain what he has in mind in using the expression "good offices of the government" in relation to this present dispute. What does the phrase "good offices of the government" mean?

Mr. Pearson: Mr. Speaker, the phrase "good offices" means using your good offices in an effort to be helpful to both sides and bring the dispute to an end.

Mr. Fairweather: Mr. Speaker, I have a supplementary question. Could we be assured that in the exercise of these good offices any mediator appointed would be chosen from outside either the ministerial ranks or the public service?

Mr. Pearson: Mr. Speaker, if the government decides to intervene at all in this matter—and the government has to be very careful indeed in intervening in the affairs of the Canadian Broadcasting Corporation—but if it is decided that government intervention will be helpful, I would like to consult with both sides as to the form which that intervention should take.

EXTERNAL AFFAIRS

RHODESIA—REQUEST FOR REPORT ON CURRENT TALKS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. I should like to ask him whether he or the government are being kept informed of the talks that are taking place in Salisbury, Rhodesia, between the government of the United Kingdom and the rebel government of Rhodesia. Would he also be good enough to inform us whether these talks are confined to the government of the U.K. or whether the commonwealth sanctions committee or the commonwealth general secretary, Arnold Smith, are parties to the conversations now taking place.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, before I reply to the question may I direct your attention and that of the members of this house to the

fact that the foreign minister of Zambia, Mr. Simon Kapwepwe, is in the Speaker's gallery. May I express on behalf of all of us our pleasure in welcoming him to Canada at this time.

In answer to this question, the government of the United Kingdom sent us a message, prior to the announcement in the British House of Commons yesterday, in the form of a letter directed to the Prime Minister of Canada. We were therefore informed in advance of the announcement made by the British government which has the constitutional power in this matter. The secretary-general of the commonwealth is not a party to these talks.

Mr. W. B. Nesbitt (Oxford): A supplementary question, Mr. Speaker. In view of the fact that Canada has very materially assisted the government of the United Kingdom in dealing with matters concerning Rhodesia, in the transportation of oil to Zambia and the like, is the Canadian government being consulted by the British government with regard to the activities of the British government, or is the Canadian government being only informed of those activities?

Mr. Martin (Essex East): Mr. Speaker, I indicated in the reply I just made that the British government through its Prime Minister advised the government of Canada, through its Prime Minister, of the informal talks that were taking place. The holding of such talks is of course entirely a matter of British responsibility, since the British government has the exclusive constitutional authority over Rhodesia in respect of the area to be covered by the talks. Naturally all commonwealth countries have an interest in this development. It is on that account that the British government has consulted not only Canada but other commonwealth governments.

Mr. Nesbitt: A further supplementary question, Mr. Speaker. I take it from the minister's answer that the Canadian government is not being merely advised of what is going on, but that the minister actually is being consulted by the British government as to the course to be taken.

Mr. Martin (Essex East): There are continuous consultations in this, as in other matters, between the British government and other commonwealth governments.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask a further supplementary question in connection with the oil air lift in which Canada participated in Africa. Does the termination of this air lift mean that as far as Canada is concerned the reasons for setting it up no longer require it to be carried on?

Mr. Martin (Essex East): Mr. Speaker, that is right. I may say, in the presence of the foreign minister of Zambia with whom members of the government have been having talks, that the foreign minister has indicated the gratitude of his government to Canada for the contribution it made to Zambia with respect to this air lift which ends at the end of this month.

Mr. Diefenbaker: A further supplementary question, Mr. Speaker. I appreciate the thanks, but the question was, does the ending of this air lift mean that the problem of Zambia securing the necessary oil no longer continues? That was the question.

Mr. Martin (Essex East): Yes. I thought it was clear from the statement that the implication must obviously be that the air lift has served its purpose and is no longer needed because Zambia has the required oil.

Mr. Diefenbaker: Fine. We have the answer for that at last.

Mr. Speaker: The hon. member for Red Deer.

Mr. Thompson: My question has been asked, Mr. Speaker.

[*Later:*]

Mr. Frank Howard (Skeena): I should like to direct to the Secretary of State for External Affairs a question which hinges on the attitude of the Canadian government toward the situation in Rhodesia. I would ask him when the government intends to take similar action with respect to the government of South Africa where a similar situation prevails.

Mr. Martin (Essex East): I think the hon. member will recognize that the two situations are not really similar.

INCOME TAX

DISTRIBUTION OF T-4 SLIPS TO QUEBEC RESIDENTS

On the orders of the day:

Hon. Théogène Ricard (St. Hyacinthe-Bagot): My question is directed to the Minister of National Revenue. It has been

brought to my attention that a number of civil servants who reside in the province of Quebec but who work in the province of Ontario have not as yet received the final T4 slips they require when making returns to the government of the province of Quebec. Would the minister be good enough to look into this matter and assure the employees concerned that the slips will be provided in time for them to fulfil their obligations within the time prescribed under the law?

Hon. E. J. Benson (Minister of National Revenue): I think this is a matter which falls within the responsibility of the comptroller of the treasury, but I will look into it.

MANITOBA—EXTENSION OF FILING DEADLINE FOR FLOOD VICTIMS

On the orders of the day:

Mr. W. H. Jorgenson (Provencher): I wish to direct a question to the Minister of National Revenue and ask whether he would consider postponing the final date for he filing of income tax returns by people living in the Red River valley who, because they were forced to vacate their homes, will not be able to complete the filing of their returns on time.

Hon. E. J. Benson (Minister of National Revenue): I have had inquiries made of the problems certain taxpayers in Manitoba may have in filing their tax returns by the normal date because of the unfortunate flooding of the Red River and its tributaries. I have concluded that relief from late filing penalties should be granted where this is warranted because of the individual circumstances of the taxpayer or his accountants. In these cases no late filing penalties will be applied if the returns are filed by May 31, 1966.

TRANSPORT

ST. LAWRENCE SEAWAY—EFFECT OF INCREASE IN TOLLS

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): I have a question for the Minister of Transport. It is this. The proposed rate increase on the great lakes will cost about $5 million more in respect of grain shipments, and this sum will come out of the pockets of the farmers. What action does the government intend to take to help western grain producers in this situation?

Hon. J. W. Pickersgill (Minister of Transport): The two entities concerned, the St. Lawrence Seaway Authority and the United States corporation, have prepared certain draft recommendations for their governments. Public hearings are to be held before final recommendations are made, and any one who feels that these proposed charges are improper will have an opportunity at the public hearings to make representations. Until the recommendations reach the government, the government has no authority in this matter.

[*Later:*]

Mr. Reg Cantelon (Kindersley): Mr. Speaker, I should like to direct a question supplementary to that asked by the hon. member for Macleod regarding the proposed increased rates on the St. Lawrence seaway. Will the minister have an opportunity of appearing before the transport committee to justify this increase?

Mr. Pickersgill: Mr. Speaker, I assume the hon. member is referring to the president of the seaway authority appearing before the committee. I believe this will depend upon the views of the committee. I am going to see the president of the authority this afternoon, and I will ask for his views.

PRINCE EDWARD ISLAND—BRIDGE AND CAUSEWAY TO LENNOX ISLAND

On the orders of the day:

Mr. David MacDonald (Prince): My question is addressed to the minister of northern affairs. In the light of indications by representatives of the Indian affairs branch last fall that construction would begin within the year on the causeway and bridge linking Lennox Island, an Indian reserve in Prince Edward Island, with the mainland of Prince Edward Island, could the minister inform the house whether such action is contemplated in the very near future?

Mr. Speaker: Order. I suggest that the hon. member place this question on the order paper.

Mr. MacDonald (Prince): By reason of the fact that I have already submitted this question to the minister and he has indicated his willingness to answer it, I think I should be allowed to have the answer at this time.

Mr. Speaker: I am afraid this consideration is not entirely relevant.

Inquiries of the Ministry

INQUIRY AS TO PROPOSED CO-ORDINATION AUTHORITY

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): My question is addressed to the Minister of Transport. I wish to ask him whether it is the policy of the government, or whether he intends to recommend to the government, that a single board or commission be set up to look into the question of transport in Canada and carry out the functions of the Board of Transport Commissioners, the Air Transport Board and the Maritime Commission, as he suggested in a speech in Winnipeg yesterday.

Hon. J. W. Pickersgill (Minister of Transport): I said in Winnipeg that I had not made up my mind and that I wanted to hear more discussion and debate on this matter. I would be very glad to have the hon. member's views on this in writing.

Some hon. Members: Oh, oh.

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question. Could the minister indicate when I might expect a reply to question No. 814 on the order paper, which has to do with his search for a transportation policy? This question has been standing since February.

Mr. Pickersgill: I do not know what it is about.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Well, the reply will be ready just as soon as the arithmetic can be done.

Mr. Bell (Saint John-Albert): Does all this mean we shall not have a railway bill this session?

Mr. Pickersgill: I hope that long before other and even more urgent matters have been dealt with by hon. members, I will have a bill before the house which will commend itself at least to my colleagues in the government.

Some hon. Members: Oh, oh.

FINANCE

REMOVAL OF TAXES ON AUTOMOBILE PARTS MACHINERY

On the orders of the day:

Mr. A. D. Hales (Wellington South): I address my question to the Minister of Finance.

[Mr. Speaker.]

Can the minister advise the house whether, and if so when, he proposes, as outlined in the *Globe and Mail* yesterday, to remove the 11 per cent sales tax and the 22½ per cent tariff on new machinery used by the car parts manufacturers, so they may more effectively compete with their United States counterparts?

Hon. Mitchell Sharp (Minister of Finance): I set out the government's proposals in the course of the budget speech, I have nothing to add until the legislation is brought down.

STORMS

ONTARIO—REQUEST FOR CONSIDERATION AS DISASTER AREA

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): My question is one for the Prime Minister. In view of the extensive property damage caused by wind and water in yesterday's disastrous storm which struck Essex and Kent counties on the north shore of lake Erie, will the right hon. gentleman indicate whether the government will consider this area as a disaster area and respond sympathetically to an application for financial aid?

Right Hon. L. B. Pearson (Prime Minister): The members from Essex county have already brought this important matter to my attention. We are giving this serious consideration, but we have not yet heard from the Ontario provincial authorities. This is, of course, a provincial responsibility. No doubt they will get in touch with us if they need federal intervention and assistance.

REDISTRIBUTION

INFORMATION ON EXPENDITURES BY PROVINCIAL COMMISSIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Merely for information I would direct a question to the Prime Minister arising out of the subject upon which Your Honour made a ruling at the opening of the sitting today—question No. 48 in the name of the hon. member for London, and questions 202 and 212 in the name of my hon. friend from Edmonton West.

I ask the Prime Minister this. Will he not, as head of the government, inquire from these commissions concerning the expenditure in question? We are asked to furnish the money and there is no commission in this

country which can be so arrogant as to refuse to give this information. These questions were on the order paper for two or three months; then we receive these cavalier answers. I ask the Prime Minister as head of the administration to get this information so that we may know how our money is being spent.

Some hon. Members: Hear, hear.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. As head of the administration I would be very glad to look into this matter immediately.

[*Translation*]

[*Later:*]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, I should like to inform the hon. members of the house that the Electoral Boundaries Commission is not a government agency and as a result, the government is not in a position to supply this information. I should like to point out, in this connection—

Mr. Speaker: Order. The hon. member rises on a point of order because a question was asked by the Leader of the Opposition to which the Prime Minister replied. Accordingly, there is no point of order.

[*English*]

Mr. Diefenbaker: Have we the parliamentary secretary teaching the Prime Minister?

LABOUR CONDITIONS

INQUIRY AS TO INTRODUCTION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Labour. In view of the references the minister made at the Canadian Labour Congress convention this week to the Canada Fair Employment Practices Act and the Female Employees Equal Pay Act, can he say whether the changes he suggested will require legislation to be introduced in this house?

Hon. J. R. Nicholson (Minister of Labour): Some of them probably will, Mr. Speaker. The matter is under study. When we have a definite announcement to make, which I hope will be in the relatively near future, it will be made known to the house in the resolution. Some of them are likely to involve legislative changes.

Mr. Knowles: Will these changes be made at this session of parliament?

Mr. Nicholson: If we continue to make the progress we have made in the last 48 hours of sitting, that is a reasonable assumption.

EXPO '67

REFUSAL OF PERMISSION TO RECORD R.C.M.P. BAND

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, my question is for the Minister of Labour. Without wishing to do any kind of a commercial for the hon. member for Kootenay West (Mr. Herridge), has the Minister of Labour considered the representations made by that hon. member on Tuesday night last concerning the R.C.M.P. recordings for the centennial year.

Hon. J. R. Nicholson (Minister of Labour): The minister has, and the minister gave a partial answer last week, but we are still working on it.

PENSIONS

RECONCILIATION OF RAILWAY AND CANADA PLANS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to direct a question to the Minister of Labour. Several days ago when I asked him about the problem of reconciling the Canada Pension Plan with the present railways' pension plans he suggested meetings were taking place. Have these meetings concluded, and has there been a satisfactory solution found in respect of the reconciliation of these railroad pension plans with the Canada Pension Plan?

Hon. J. R. Nicholson (Minister of Labour): Yes, Mr. Speaker. An announcement was made about ten days ago to the effect that a satisfactory solution had been worked out with the company which was accepted by the employees of the railway concerned.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

REQUEST FOR REPORT ON DISCUSSIONS WITH UNIONS

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to put a question to the Minister of Labour about the dispute concerning the negotiating unit at the C.B.C.

Inquiries of the Ministry

Can the minister advise the house on the progress of talks between himself and the departmental committee on the one hand, and the representative of the C.N.T.U. and other organizations on the other hand?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I can report only that the first of the meetings which I intimated might be taking place has been held. After the meeting of the Canadian Labour Congress in Winnipeg terminates it is expected that an early convenient date will be arranged for a meeting with the representatives of the railway brotherhood, the C.L.C. and other interested labour organizations in order to hear their representations.

ADMINISTRATION OF JUSTICE

HAL BANKS—INQUIRY AS TO PROSECUTION

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, my question is addressed to the Minister of Justice. Some time ago the minister said the question of whether Hal Banks would be recharged and whether extradition proceedings would be taken was under consideration and investigation. In view of the length of time which has elapsed I am wondering whether the minister can report on that matter. He said the documents were tied up in the Supreme Court of Canada.

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, it was reported by the Solicitor General that the documents had been released by the supreme court, but that other investigations were being carried out. There has not yet been any decision with regard to whether proceedings will be taken in this case.

CONSIDERATION OF ROYAL COMMISSION TO INVESTIGATE ORGANIZED CRIME

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I ask a question of the Prime Minister. The Prime Minister indicated he would be informing the house when replies had been received from the provinces with regard to the setting up of a commission on organized crime. Could he reply now?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. Replies are in from all the provinces except one, and I believe that may have come in but if it has I have not yet seen it.

[Mr. Allard.]

My hon. friend will recall that on March 11 the Solicitor General wrote to all provincial attorneys general requesting their views on the subject of the setting up of a royal commission on crime. Nine of the ten provinces, as I have indicated, already have replied. If the tenth, which is Newfoundland, has not replied this morning I am assured the reply will be coming in either this afternoon or tomorrow.

Only the province of Quebec has stated that it definitely is in favour of such a commission. The provinces of Manitoba and Saskatchewan have expressed the view that a royal commission might be useful, but the remaining six, Alberta, British Columbia, New Brunswick, Nova Scotia, Ontario and Prince Edward Island have expressed themselves as doubting the need for a commission, although most of them have indicated they are willing to discuss the matter at the next federal-provincial conference if it is desired to put it on the agenda. In this matter the federal government shares the view of the majority of the provinces.

Mr. Nielsen: Mr. Speaker, may I ask a supplementary question. In view of the Prime Minister's remarks with regard to the desirability of placing the matter on the agenda for the forthcoming dominion-provincial conference, could he inform the house whether the government will be placing this matter on the agenda?

Mr. Pearson: Mr. Speaker, in view of the replies we have received and in view of the fact that one or two provinces have suggested it might be considered at the next national meeting or conference, we will be glad to place it on the agenda.

Hon. Michael Starr (Ontario): Mr. Speaker, may I ask a supplementary question. I should like to ask the Prime Minister whether it will be on the agenda of the meeting which the Prime Minister intimated the other day would be held for approximately two days in British Columbia.

Mr. Pearson: The agenda for that meeting has not been decided. We are in communication with the provinces, but as my hon. friend has mentioned it will be a short meeting. There will be another meeting later in the summer or autumn. We may not be able at the meeting in British Columbia to deal with some of the business that we would like to, but the other matters will be on the agenda and will be dealt with at the next meeting.

LABOUR GAZETTE

DELAY IN DELIVERY OF FRENCH EDITION

On the orders of the day:

Mr. J. A. Mongrain (Trois-Rivières): Mr. Speaker, my question is for the Minister of Labour. I used to get the French version of the Canada Labour Gazette three months late. This morning we received the French version only two months late. May I ask the Minister of Labour when we can expect to have it simultaneously with the English version?

Hon. J. R. Nicholson (Minister of Labour): There has been some progress. When the present minister took office the French version was six months late, then it was reduced to three months and it is now only two months. I should like to thank the hon. gentleman for having given me notice of his question. In all seriousness, I would refer him to page 3 of the latest issue, where it is stated that the target for simultaneous publication is in or about August of this year.

HOUSING

REQUEST FOR STATEMENT ON SHORTAGE OF MORTGAGE MONEY

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I have a question for the Prime Minister which deals with a subject in respect of which he has been answering questions all week, namely the increasing difficulty the housing industry in Canada is confronted with because of the lack of mortgage money. Has his government finished its examination of the problem, and is he in a position to reassure the house that a statement of government policy will be made tomorrow?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as the Minister of Labour indicated, he thought it would be tomorrow or he hoped early next week that we could make a statement. After the consideration we gave this matter again this morning I must say that we will not be ready before the week end, but I can assure my hon. friend that a statement will be made at the latest next Tuesday afternoon.

NATIONAL DEFENCE

VALCARTIER CAMP—STATEMENT AS TO SHANNON EXPROPRIATIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Associate Minister of National Defence, following his recent pilgrimage to the Shannon area and Valcartier camp, what his view is as to the reaction of the people, whether any decision has been made and what action the government will take.

Hon. Léo Cadieux (Associate Minister of National Defence): Mr. Speaker, some time ago I informed the house that I would make a personal visit to the Valcartier area to consider the representations made by or on behalf of some residents of the community of Shannon, with particular regard to how the expropriation of lands will affect that community. On Tuesday, April 26, 1966 I visited several of the residents of Shannon and inspected the entire new training area by car and by helicopter.

It has always been the intent and policy of our department to do everything possible to respect the rights of those individuals whose property may be affected by the expropriation carried out to meet military requirements. A most careful and definitive study has been made of the requirements, both current and future; and I have decided, having regard to the social and economic effects on the community when weighed against military needs, that a somewhat lesser area will meet current operational training land requirements in an optimum if not a maximum manner.

Accordingly I have issued instructions that as soon as appropriate re-surveys and legal documentation can be prepared and amended notice of expropriation will be registered reducing the land being acquired by eliminating lots 419 to 433 inclusive in range 6; lots 604 to 610 in range 7, and lots 677 and 678 in range 8, all in the municipality of Shannon.

It is intended that fair and reasonable compensation will be paid for all legally recognizable interests, and I am hopeful that those persons affected by this necessary expropriation will in the fullness of time be able to replace their losses by acceptable alternate accommodation and interests. The house can be assured that the officers charged with carrying out the determination of compensation will take into consideration the difficulties which are inevitably generated by a disturbance of this type.

Mr. Diefenbaker: Mr. Speaker, this is certainly a step in the right direction. Perhaps I should ask the minister to what extent there has been a reduction in the acreage originally decided upon for expropriation and which, as

a consequence of his visit, will now be reduced?

Mr. Cadieux (Terrebonne): It will be reduced by about one quarter.

Hon. Michael Starr (Ontario): Mr. Speaker, I have a supplementary question for the Associate Minister of National Defence. In his answer he referred to a reduction of about a quarter. Does that mean that only one quarter of the land originally intended for expropriation will not now be expropriated and is the department now going to expropriate three quarters the original?

Mr. Cadieux (Terrebonne): I was referring to one quarter of the Shannon area, Mr. Speaker. The land to be expropriated will be one quarter less than that originally projected.

Mr. Pickersgill: There is to be a 25 per cent reduction.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Prime Minister although I realize he may refer it to one of his colleagues. In view of the fact that the government has on the order paper a notice of intention to amend the Public Service Superannuation Act, including the making of amendments of a general character, may I ask whether this will include an amendment to increase the pensions of civil servants already retired?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

Mr. Knowles: Will the government reconsider this matter, Mr. Speaker? If I cannot obtain an answer now I guess I shall have to try at ten o'clock.

Mr. Pearson: Mr. Speaker, this matter is being brought to our attention, as my hon. friend knows, not only by him but by those directly concerned, and it is under continuous consideration. There is no intention to change the position at this time.

Mr. Knowles: Ten o'clock, Mr. Speaker.

[Mr. Diefenbaker.]

• (3:30 p.m.)

REDISTRIBUTION

CONSIDERATION OF OBJECTIONS TO COMMISSION REPORTS

Mr. Speaker: On February 15 last a notice of objection in the form of a motion was filed with me in the following terms:

That, pursuant to Section 20 of the Electoral Boundaries Readjustment Act (Chapter 31, Statutes of Canada 1964-65) and for the reasons hereinafter specified, consideration be given by this house to the matter of an objection to the following provisions of the report of the Electoral Boundaries Commission for the province of New Brunswick, laid before the house by Mr. Speaker on Wednesday, January 19th, 1966 for the reasons hereinafter specified.

1. The fact of a majority and minority report having been presented by the commission suggests the existence of a difference of opinion in the commission itself which invites discussion by interested members of parliament.

2. In determining the boundaries of some of the electoral districts of the province of New Brunswick, the commission failed to give special emphasis to geographical considerations, including in particular the sparsity, density or relative rate of growth of population of various regions of the province, the accessibility of such regions, or the size or shape thereof, and ignored or overlooked the special problems of transportation and communication when establishing ten electoral districts in the said province.

3. In determining the boundaries of some of the electoral districts of the province of New Brunswick, as indicated by the majority report, the commission failed to give and pay proper attention to the physical, social and economic cohesion of some districts thus created and overlooked the question of unity and community of interest and thereby rendered satisfactory and comprehensive representation a most difficult task.

4. The inconvenience to any member of parliament attempting to maintain contact with constituents spread over some electoral districts would be considerable. The expense of travel might well be considered exorbitant in attempting to maintain such contact.

5. And such other objections that the undersigned members may consider applicable in order to carry out the spirit and terms and conditions of the act in question.

This is objection No. 11 and can be found at page 22 of the pamphlet distributed to hon. members.

Hon. Hugh John Flemming (Victoria-Carleton): Mr. Speaker, I should like to call the attention of the house to the first item in our objections. It relates to the fact that a majority and a minority report were presented by the commission with respect to the province of New Brunswick electoral boundaries, which suggests the existence of a difference of opinion in the commission itself and invites discussion.

It would appear to me to be the most natural thing in the world for these two

reports to be examined carefully, and that is exactly what I have done. I confess that I have examined them with particular reference to the constituency of Victoria-Carleton which I have the honour to represent in parliament and which seems to be especially affected by the variation in the two reports.

May I note also that my hon. friend, the member for Charlotte (Mr. McLean), has signed the objection. His county also is one which is particularly affected.

Before proceeding into the question in some detail I should like to make special reference and pay tribute to the work of the New Brunswick representatives on the commission, Mr. Justice Anglin, Mr. Boudreau and the chief electoral officer for the province, Mr. Lyons. It goes without saying that the representation commissioner, who is an ex-officio member of all commissions, is a man of much general experience and knowledge which was available to every provincial commission.

I appreciate the attention they have given and I pay tribute to them for the way in which they carried out the duties entrusted to them. It is not at all strange that in their report some of the angles from a provincial point of view, and also perhaps from a constituency point of view, may have been overlooked. I shall endeavour to supply some of the local facts in the time at my disposal.

I return now to where I left off in my opening remarks. The relationship between the counties of Victoria and Carleton has existed for over half a century. They have been united for federal representation for that period of time, if not longer, and it is on behalf of the people of these counties and with their interests in mind that I make these remarks today. In general terms may I say that the community of interest which the people of these two counties has is farming and, generally speaking, I believe it is fair to say that these two counties are considered to be part of the potato belt. The farming activity there is specialized to that extent.

We also have in the county of Carleton the largest food processing plant in Canada, I believe, and that processing is confined to a great extent to potatoes. There is also a question involved regarding the fact that these two counties lie along the Saint John river, with traffic up and down the river on both sides and with connecting roads.

Having made those remarks relative to the economic situation, I might also say that in a social way the people of the counties also have much in common. For the reasons I have just mentioned I think it will be understandable to this house that the citizens of Victoria-Carleton prefer the minority rather than the majority report, since the former recommendation if adopted would leave these two counties together and simply add three parishes from the northern part of York county and two parishes from the southern part of Madawaska county, plus the town of St. Leonard, in order to meet the population requirement. I held that opinion at the time the report was made, and I still hold it.

I could not think of any better way to secure the opinion of the people of Victoria and Carleton counties than to consult with the county councils which usually meet in the early part of the year. I consulted these county councils. I submit, Mr. Speaker, that it would be difficult to find a more knowledgeable and non-partisan group than the county councils of those two areas. I think they would have knowledge of the views and needs of the people. Therefore I asked the councils of those two counties for some information concerning their views in connection with this matter, and I wish to place on record some of the replies I received.

The first reply was in connection with a resolution passed in the summer of 1965 prior to the minority and majority reports. I think this resolution is of significance because it sets out the view of one county council prior to there being any report to consider. I should like to put on record this certified resolution which was sent to me by the secretary-treasurer of Victoria county:

> The following is a true and exact copy of a resolution passed by the Victoria County Council while in semi-annual session July 6, 1965:
>
> "That this council disapprove of the proposed electoral district and go on record as favouring a constituency made up of Carleton, and Victoria County, and the parishes of St. Andre and St. Leonard Parent of Madawaska County."

A resolution was passed at the last session of the Victoria county council which I should also like to put on record. It reads as follows:

> Moved by Councillor Hiscock; seconded by Councillor Theriault:
>
> "That the municipal council of the municipality of Victoria go on record as supporting the minority report of Justice W. A. I. Anglin in the report of the New Brunswick Electoral Boundaries Commission and in particular in support of retaining the expanded proposed constituency of Victoria Carleton which would embrace the potato growing area of the Saint John River Valley." Carried.

I then consulted with various gentlemen in the potato business and want to put on record

a letter I received from Mr. Frederick W. Pirie of F. W. Pirie Company Limited in connection with the matter. This letter, dated February 5, 1966, and addressed to me, reads as follows:

As I understand a report of the Electoral Boundaries Commission for New Brunswick may come up for consideration in parliament soon, I would like to give you as our representative for the riding of Victoria-Carleton, my views on this matter.

As you know, the potato belt in this province extends from the northern part of York County through Carleton-Victoria counties, and as far north as St. Leonard in Madawaska County. In other words, the minority report which is appendix Y, takes in Victoria County, Carleton County, part of York County and St. Andre and St. Leonard in Madawaska County.

If a change is to be made in the boundary of the Victoria-Carleton riding, I cannot think of a more perfect way to extend the boundaries than has been outlined in appendix Y, because this would put the New Brunswick potato belt, where the problems are unique and different from the other areas in the province, all in one block and one riding.

A representative could cover the area much better, and much more conveniently, and he would be dealing with problems pretty much uniform throughout his riding.

It would be much easier for us to find a good representative who knows a lot about the problems of this potato belt, which most of the people in the riding are engaged in and depend on for livelihood, than it would be to find someone to properly represent the people of this area, or a portion of this area, and also the fishermen from one of the coastal counties such as Charlotte, or some other part of the province where the economy and conditions are different.

Having lived here all my life, and being deeply engaged in potato processing, potato growing and potato exporting, and as president of the Potato Shippers Association, I strongly recommend the above for your consideration.

Then I have a letter from Mr. J. Stewart Brooks, the M.L.A. for Victoria County which I should also like to put on the record. It is addressed to me, is dated January 24, 1966, and reads as follows:

As the question of the boundaries of the federal constituencies will be discussed in the House of Commons in the near future, I feel some facts in regard to the Victoria-Carleton constituency should be brought to the attention of the members.

If I have been correctly informed, the majority report of the committee in New Brunswick was to the effect that Victoria County and the two northern parishes of Carleton County were to be included with Madawaska County as one constituency, and the balance of the area of Carleton County, with a small area of several counties and all of Charlotte County, was to be another constituency.

The minority report of the committee on federal boundaries was, I believe, to the effect that Carleton and Victoria counties remain as such, with the inclusion of the parishes of St. Leonard and St. Andre on the north and a small area of York County on the south.

[Mr. Flemming.]

The minority report would be much more acceptable in my opinion for the simple fact that it would be entirely made up of a farming area, the most centralized potato growing area in eastern Canada and the problems of the constituency would be of equal importance to all residents in the area. The parishes of St. Leonard and St. Andre have requested the provincial government to have the boundaries of Madawaska and Victoria counties changed so that this area would become part of Victoria county as far as local services are concerned; Grand Falls being the centre for hospital and school services and also being the shipping centre for the area.

The majority report of the Electoral Boundaries Committee would have the effect of dividing the farming and potato growing area, with the northern part being included with Madawaska county, which is more of an industrial and lumbering area, where the common interest would not be the same.

The southern portion of the former constituency of Victoria-Carleton would be included with Charlotte county, which as we all know is primarily engaged in fishing and fish processing and would not have the common interest with the centralized farming area.

This certainly would make it more difficult for any member to give the representation to the constituency which the residents would and should expect.

There are certainly many more advantages in the acceptance of the minority report too numerous to mention.

I sincerely hope that in some way the constituency boundaries can be so arranged that the farming area will be one constituency and able to speak with one voice. Any other solution is certainly not in the best interests of the people.

Then I have from Mr. Porter, whose home is in Andover, a letter which reads as follows:

I noticed that the Victoria county council recently unanimously passed a resolution recommending that Anglin's minority report be implemented in the new electoral districts, which would leave Carleton-Victoria plus two Madawaska and three York parishes, as being the potato area of New Brunswick.

I think you will agree this is a much better arrangement than the Carleton-Charlotte anomaly proposed by the majority report.

That is an extract from Mr. Porter's letter; I will not read it in full. I also have a letter from Mr. Cochrane, county councillor of the Plaster Rock district in Victoria county. His letter is dated July 28, 1965, and he says in part that he, along with many others, is greatly disturbed by the new electoral boundaries for federal ridings, all the more so because Victoria will be divorced from Carleton and married to Madawaska, which he considers would be unreasonable because of their economic situation.

Then he says that the member for Madawaska will undoubtedly come from Edmundston and above St. Leonard there is a marked change in attitudes and interests. He

says that above this point they look to Quebec city and Montreal for many of their contacts and buy from wholesalers in those cities and ship and sell to those places, whereas below St. Leonard they lean quite strongly toward Fredericton and Saint John. He goes on to say:

• (3:40 p.m.)

Another point is that if Carleton is joined with Charlotte and in another ten years you will probably retire then without doubt the member will quite often come from St. Stephen. At that time we could quite conceivably have for long periods a member in Edmundston and the other one in St. Stephen. This would leave the potato belt of New Brunswick, Carleton, Victoria and southern Madawaska with no one really to take a definite interest in this industry. At county council we agreed and sent Rene Theriault and Jacob Malm to meet with the commission of Edmundston and ask for Victoria, Carleton and Madawaska's southern two parishes to be a riding. This area would have reasonably similar interests, same industries, ship to the same areas, etc. I do not know if you would have the opportunity to express this to the proper people or not—it might seem that you were asking for something for yourself—but I am sure that this is the wish of the people in Victoria, both Conservative and Liberal.

A question might arise in the minds of the commissioners why some of these representations were not made to the commission when it was sitting, particularly when notice of the sitting was given. In that connection I should like to quote from a letter which I have received from the ex-warden of Victoria county which partly explains why no representations were made before the commission. This is a letter from Mr. Jacob Malm, dated January 27, 1966, and it reads in part as follows:

I see some mention of the constituencies boundaries commission report. I see that Mr. Justice W. A. Anglin is submitting a minority report. I was to have attended the hearing at Edmundston, but as I was just recovering from double pneumonia at the time in the Grand Falls Hospital I was unable to attend. I wrote a letter to the commission, explaining the disapproval of a great many residents of Victoria County with the suggested new boundaries which were as follows: that the splitting of Carleton and Victoria is splitting off the main potato growing areas, which is one of the main farming areas in N.B. If Carleton County is linked with Charlotte and Victoria with Madawaska, Charlotte is very apt to represent the lower riding and Madawaska the upper riding, Charlotte being more interested in the fishing industry and Madawaska in the lumbering industry.

The potato farmers of Victoria and Carleton are apt to receive little consideration. If the parishes of St. Andre and St. Leonard of Madawaska County, which are farming communities, were added to Carleton-Victoria, we would have a farming constituency. The county councillors of the parishes of St. Andre and St. Leonard have previously approached the municipal council of Victoria with the suggestion that the county boundary be changed so they would become a part of Victoria County as they found they were looking to the town of Grand Falls for hospital services and it was their nearest business centre. I am enclosing a certified copy of a resolution passed at the July session of the municipal council of Victoria. I hope that the recommendation of Mr. Justice Anglin is given favourable consideration if true representation is being sought.

I should like to refer to the Carleton county attitude, and its appeals. There are not so many of them. The county of Carleton municipal council, in session last January, passed the following resolution:

Moved by Councillor Winslow, seconded by Councillor McIsaac that this council go on record as opposing the majority report of the Electoral Boundaries Commission for the province of New Brunswick, specifically covering the constituency comprising the county of Carleton, since it does not contain a community of interest. We further go on record as supporting the minority report since it does contain a community of interest.

Another letter, which is somewhat explanatory and which I should like to read into the record, is dated February 4, 1966, and comes from Mr. E. B. Currie, secretary-treasurer of the municipality of Carleton county. It reads as follows:

The Carleton county municipal council at its annual session held January 25, 1966, discussed at some length the proposed electoral districts.

The council expressed disapproval with the majority report, wherein the county of Carleton is to be joined with the county of Charlotte, as it was felt that these countries do not have a common interest, chiefly agriculture.

Whereas recommendations of the minority report to join the counties of Carleton and Victoria in one electoral district would provide a common interest in the agricultural industry, which is predominant in both counties, the council went on record as favouring the minority report.

I am attaching to this letter a copy of the motion passed by council, and we trust the views of the council may receive favourable consideration before final approval is given to the committee's report.

I should like to quote also from a report appearing in the Hartland *Observer* which covers, partially at least, the county of Carleton. I will not read at length, but this article appeared in the May 13, 1965 edition of that newspaper. The headline reads, "Protests From Carleton, Victoria On New Voting". Then the following appears in heavy black type:

Canada's first non-political redistribution of electoral boundaries, as far as New Brunswick is concerned, published in detail in every daily and weekly newspaper in the province this week already has met with sharp reaction in the Carleton and Victoria zones.

It is understood that delegations from the northern part of Carleton and all of Victoria County

intend to be present at the court house in Fredericton on June 21, at 10 a.m. when the first of a series of sittings will take place to hear representations on the proposed electoral revisions.

I may say that some of us did appear at that meeting. We made certain recommendations to the commission at that time and they were listened to with respect. I believe they were largely adopted. These representations were more concerned with the upper two parishes of Carleton which had been left out in drawing the proposed boundaries than they were with the partnership of Victoria and Carleton.

A few minutes ago I referred to the fact that we have a very large food processing plant in Carleton county. Having mentioned to Mr. McCain, the president of the company, the other day that this matter was likely to come up, I received a telegram from him yesterday which I should like to put on the record. I feel it is a most important document. It is addressed to me and reads as follows:

I support retaining Carleton and Victoria counties together with small parts of Madawaska and York counties as one constituency and feel that the proposed combination of Carleton and Charlotte counties with altogether different problems and widely separated would make it most difficult for any member to effectively represent such a proposed combination.

This telegram is from McCain Foods Limited. I come back now to the objections which were submitted in general terms. As briefly as possible I should like to make a few observations in connection with them. Paragraph 2 on page 22 of the document entitled, "Objections Filed with Mr. Speaker Pursuant To The Electoral Boundaries Readjustment Act," in part uses these words: "the accessibility of such regions, or the size or shape thereof, and ignored or overlooked the special problems of transportation and communication when establishing ten electoral districts in the said province."

May I say that if the representative lived in Charlotte county he would have to go through three different constituencies before he could reach Carleton provided the majority report were adopted. The same situation would apply if the representative lived in Carleton, because this is the way the highways run in that province.

I should like now to refer briefly to paragraph 3 of the objections which deals with the matter of physical, social and economic cohesion of some districts. In my opinion, this is an important feature. The fact that people in various communities gather together for various reasons, some social, some recreational and for various other reasons, really should be considered. This brings in the question of community interest which I think is important.

• (3:50 p.m.)

Another matter relative to the minority report is that generally speaking—and I speak in general terms only—the people in the three parishes in the northern part of York county regard the town of Woodstock as their shopping centre, the town to which they go for their doctoring, hospitalization, and to consult a lawyer if they are unfortunate enough to get into trouble.

In the lower part of Madawaska there is the same state of affairs with regard to the town of Grand Falls and the lower two parishes of the county of Madawaska. Therefore I put this forward as another reason for the minority report appealing to me in its proposal with regard to Victoria-Carleton.

I also wish to refer to paragraph 4 of the objections which relates to the inconvenience to any member of parliament. I consider that our time should certainly be at the disposal of our constituents because that is the reason we are here. But there is a limited amount of time available to meet with one's constituents. If you spend too much time on the highway you have that much less time to consult them.

That pretty well takes care of the matters I want to raise, Mr. Speaker, on the objections we have filed. I think it is fair to say that in the southern and western part of the province there is more variation in the boundaries than there is elsewhere. While the odd one elsewhere has some variation, I believe that in broad general terms it is fair to say it is really the southwestern part of the province which is more affected by any variation which can be found in the two reports.

Under the minority report the proposed constituency of Victoria-Carleton would have a population of 52,938, which is not much below that of the proposed Carleton-Charlotte constituency in the majority report.

For the reasons which I have to the best of my ability outlined, in view of the information received from the municipal councils including the resolution they have passed reflecting the interests in a way of that particular part of the province, and bearing in mind that some of the arguments I

have put forward would have application to other counties as well, the question which stands out in my mind more than any other is that of community interest. The proposed constituency of Victoria-Carleton, with the extensions made in the minority report, would constitute the so-called potato belt which is a most important segment of the agricultural activities of our two counties. Therefore I hope that when the commissioners re-examine this matter they will see some merit in the arguments we have put forward and adopt pretty much the proposals contained in the minority report of Mr. Justice Anglin.

Mr. A. M. A. McLean (Charlotte): Mr. Speaker, I have before me the two appendices Y and B, and I would certainly endorse appendix Y. Appendix B includes the site of my birthplace in the proposed constituency and naturally I should like to represent it, but we have to think of the economics of the different constituencies. In the constituency of Carleton I would say the main activity is farming and there is some manufacturing which is connected with farming. In Charlotte the main activity is fishing. The present population of Charlotte is 23,285. In the new constituency of Carleton-Charlotte proposed in appendix Y the population would be 56,554.

I do not think that the commissioners have realized the human side of things. For example, let me take a short piece of the coast of Charlotte, to the north of which is Carleton county. Appendix Y takes in a little more territory than appendix B. It takes in part of York, part of Sunbury, part of Queens, part of Saint John and all of Charlotte. Appendix B takes in part of Saint John, part of York, part of Carleton and all of Charlotte. In either case we take in all of Charlotte.

Charlotte includes the towns and villages of Blacks Harbour and Beaver Harbour, Deer Island, Campobello Island and Grand Manan, and the towns of St. Andrews, Lepreau and Musquash. All those places are interested in fishing. I do not think there is any fishing in Carleton county except some salmon and sport fishing.

In Charlotte county we have one of the greatest fisheries in the world, the sardine fishery, which takes in much of the shore extending along the gulf of Maine and the coast of Nova Scotia. Therefore I do not see how any member could efficiently represent Carleton county as well as Charlotte because their economies are entirely different. I would agree with the hon. member for Victoria-Carleton (Mr. Flemming) that the two economies cannot be represented efficiently by one member.

So, Mr. Speaker, in a few words I simply wish to endorse the proposal contained in appendix Y, which I think is the best and most efficient for New Brunswick at large. I hope the commissioners will think the matter over again, look into the human side of the question and adopt appendix Y.

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, I should like to enter the debate very briefly to support the position that has been taken by the hon. member for Victoria-Carleton (Mr. Flemming), the former premier of New Brunswick, and the hon. member for Charlotte (Mr. McLean) in their contention that appendix Y would seem to be a more reasonable basis for representation of the western part of New Brunswick. I had not intended to enter this debate. I had understood that the hon. member for Victoria-Carleton would present his arguments, but during the last few days I have received representations in connection with a part of my constituency which I should like to put on record. What the commissioners were doing from the beginning was to base representation in New Brunswick as far as possible on city units.

• (4:00 p.m.)

Before I proceed I should like to commend Mr. Justice Anglin, Mr. E. M. Lyons, Chief Electoral Officer for the province, and Mr. Boudreau for the exceptionally fine job they did. They worked diligently and conscientiously on the task they had accepted. What they did, of course, is shown in both appendices. In appendix B it was provided first of all that the cities of Saint John and Lancaster would be one constituency. This is No. 8 in appendix B. We have Moncton, Coverdale and Dieppe as a constituency.

The commission based other constituencies on Bathurst, Edmundston and Campbellton. The constituency of York-Sunbury would be centred around the Fredericton-Oromocto-Camp Gagetown complex. One can see the line of reasoning that they followed. I also commend Mr. Justice Anglin's report. It is not too different from the majority report except, as hon. members have just pointed out, that Victoria-Carleton would be retained very much as it is now and Charlotte would have added to it the city of Lancaster and certain other areas of the southwestern part of the province.

The commissioners had this problem. A number of constituencies were of the approximate size they wanted but Charlotte county was smaller in population. It was none the less important but it was smaller in population, as is Kent. It was in these ridings, in Carleton-Victoria, in Royal and in Kent, that major changes had to be made.

I realized from the very beginning that York-Sunbury would have to be reduced in size and area. In the 1961 census we were shown to have a population of just over 75,000 and the average constituency for New Brunswick must have after redistribution a population of approximately 60,000.

Under the British North America Act, New Brunswick may not have less than ten senators and ten members of parliament. We reached that point some time ago. Our population is 600,000 so the mathematics are very simple. Each constituency should have approximately 60,000 people and in York-Sunbury we have 15,000 too many.

Respecting appendix Y, which I favour more than appendix B, my friends who submitted the majority report will forgive me for my disagreement with them. The points raised by the hon. member for Victoria-Carleton (Mr. Flemming) and the hon. member for Charlotte (Mr. McLean) are valid ones. Between Carleton and Victoria counties there is a community of interest. This is one of the great potato growing areas of Canada. For the most part the population there consists of farmers, and I suggest to the commissioners that is the way the constituency should be left.

In Charlotte county, as the hon. member pointed out, the basic industry is the sardine fishery which is one of the greatest in the world. The fisheries extend along the shore toward Lancaster. With Lancaster it would make a constituency of the appropriate size and with a community of interest.

I would mention another point. In the minority report the city ridings are smaller in size than in the majority report. In order to make myself clear, Saint John constituency would have 5,000 or 6,000 less than it would have if the majority report were adopted. York-Sunbury would also be that way, as would the Moncton constituency. I think that is all to the good because of the movement of people away from rural areas to the city. The city ridings are growing very quickly, a classic example being York-Scarborough, Ontario, which is growing at a fantastic rate. I think that we ought to make these city ridings smaller at this time because by the time there is another redistribution those ridings will again be considerably out of line.

I point out that I expected to lose certain parts of York-Sunbury, and that has been done. In our province we have the parish system and the commissioners followed the parish boundary lines.

North Lake, Canterbury and Southampton are added to Victoria-Carleton to increase its population. I can see the logic of that. The hon. member for Victoria-Carleton has pointed out that these people are closer geographically to Woodstock in Carleton county, and there is a community of interest that exists there.

In the case of McAdam, this parish is added to Charlotte in the minority report. The hon. member for Charlotte will appreciate my regret at losing the McAdam area for obvious reasons, but there is a community of interest between the people in the McAdam area and those of St. Stephen. McAdam is not too far from St. Stephen and the people of McAdam seem to gravitate toward that area. I regret losing the parish of Manners Sutton, of course, but I can see the logic here in the minority report as well as in the majority report.

My major reason for speaking at this particular time is to register my objection to the inclusion of the parishes of Gladstone and Blissville in the Charlotte-Lancaster constituency. These parishes contain the communities of Fredericton Junction, Tracy and Hoyt, and the whole community of interest of that area lies with the Fredericton-Camp Gagetown area. Most of the men in the area who are not employed on farms are employed either in Fredericton or to a great extent in Camp Gagetown, which is the largest military establishment in the commonwealth. The commission members will appreciate this. There is no community of interest between the Gladstone-Blissville area and Charlotte county. As a matter of fact, anyone from Gladstone or Blissville wishing to go to St. Stephen or St. Andrews would have to go to Saint John and then along the shore or via Harvey.

I would, however, suggest to the commissioners that, no matter what decision they may take as a result of the arguments raised today in this chamber, the parishes of Gladstone and Blissville should be left with York-Sunbury for the reasons I have outlined.

I notice also in the majority report that the parish of Petersville has been added to York-Sunbury. There is some basis for this, although I think it would be better to leave it in the constituency of Royal.

Having raised the points I wished, Mr. Speaker, I should like in closing to commend the commissioners again, all three of them, for the very conscientious and painstaking task which they have performed and I would ask them to consider seriously the arguments which have been raised by the hon. member for Victoria-Carleton, the hon. member for Charlotte and myself.

[*Translation*]

Mr. Jean-Eudes Dubé (Restigouche-Madawaska): Mr. Speaker, I did not intend to take part in this debate. Personally, I am very happy with the majority report of the Electoral Boundaries Commission for New Brunswick, at least with regard to my riding.

However, following remarks made this afternoon, I think it is my duty to make my position clear so that it will be known to my electors through *Hansard*. Since I am here, in this house, I would not like my silence to be taken as proof that I approve of the objections which have just been made.

I have often implied to my electors, to the people of my riding, that I am very happy with my riding as it is now. Besides, the population showed their regard for me on three occasions, in 1962, 1963 and in November 1965, by re-electing me every time with increased majorities. In short, I have no complaints about my riding as it is now.

However, I fully understand that under the legislation my riding is too heavily populated now—it has over 80,000 inhabitants—to remain as it is. Therefore, the riding must be amended. Since there is no getting out of it, I think that the ideal solution is the one proposed by the commission. Besides, it is the solution which had been carried out on the map submitted by the commissioners and it is the proposal accepted by the majority of the commissioners as a result of hearings in various localities in the province. According to that solution, there would now be two ridings: Restigouche, including the parish of Beresford, and the new riding of Madawaska-Victoria.

With regard to the new riding, the population is quite special and remarkable. The people in the riding of Madawaska and in part of the riding of Victoria are French-speaking. Their ancestors went up the St. John river, crossed the Quebec boundary to settle what is called today the republic of Madawaska. That name of republic comes from the fact that this territory is located on the boundaries of two provinces, Quebec and New Brunswick, and also on the American border.

I know that people who come for the first time to that republic of Madawaska never fail to notice the good humour and hospitality which are found in that beautiful part of the country.

As I said, the republic is not bounded by the limits of Madawaska riding, but juts rather far into the present constituency of Victoria.

That is why I cannot accept that the present constituency of Madawaska be dismembered by removing the parishes of St. Léonard and St. André to incorporate them with another riding. I feel it would be splitting a family asunder because of the economics of the potato.

In short, since it is not my intention to delay discussion, I would be most happy to represent the population of my present riding for a long time to come. But I know it will not be possible under the present legislation, because the population has grown beyond the quotient. If a solution is required, I heartily endorse the one suggested by the majority of the commissioners. I am convinced they are not making a mistake and that their decision will be accepted heartily by a considerable majority of the population of the area.

• (4:10 p.m.)

[*English*]

Mr. Starr: I rise on a point of order. I should like to draw your attention, Mr. Speaker, and the attention of the Associate Minister of National Defence, who I see in his place together with three other members of the government, to the fact that if we are to maintain a quorum during this important debate there is some responsibility on the part of the government to see that its supporters are present in the house. I would urge the minister to endeavour to get a better representation of government members during this debate.

Some hon. Members: Hear, hear.

The Acting Speaker (Mr. Rinfret): May I remind the hon. member that there is a quorum in the house at the present time.

Some hon. Members: We know that.

Mr. Starr: I was only talking about the government side.

The Acting Speaker (Mr. Rinfret): Has the house concluded its consideration of objection No. 11 concerning the province of New Brunswick?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): The house having considered this objection, it will be my duty pursuant to section 20 of the Electoral Boundaries Readjustment Act to refer the report of the Boundaries Commission, together with a copy of the objection and also a copy of the debates of the house, back to the commission for reconsideration thereof. We shall now proceed with the consideration of the objection concerning the province of Alberta, Objection No. 2, found on pages 2 and 3 of the pamphlet.

Proposed Electoral Districts of the Province of Alberta:

That, pursuant to Section 20 of the Electoral Boundaries Readjustment Act (Chapter 31, Statutes of Canada 1964-65) and for the reasons hereinafter specified, consideration be given by this House to the matter of an objection to the provisions of the report of the Electoral Boundaries Commission for the province of Alberta, laid before this house by Mr. Speaker on Wednesday, January 19, 1966.

The objections to the provisions of the Alberta report are as follows:

1. Throughout Alberta the commission failed to give special emphasis to geographical considerations, the sparsity, density and relative rate of growth of the population, and ignored or overlooked the special problems of communication and transportation when they divided the said province into nineteen (19) new electoral districts.

2. The commission failed to give special consideration and special appreciation to accessibility of one region to another region in many of the rural electoral districts when determining the boundaries of the same.

3. The commission failed to give and pay proper attention to the physical, social or economic cohesion in many of the new electoral districts created and appeared to ignore and did ignore the question of unity or community of interest and thereby rendering adequate representation of the people in parliament a virtually impossible task.

4. The commission erred in law by failing to carry out the terms and conditions of section 13 of the Electoral Boundaries Readjustment Act.

5. The commission failed to take into consideration that the boundaries of the majority of electoral districts of Alberta as they existed prior to redistribution, were in accordance with the spirit of the terms and conditions and the formula in law of the said act in question, and the undersigned members therefore suggest that the commission could have increased the representation of Alberta by two (2) members, by giving each major city;

[The Acting Speaker (Mr. Rinfret).]

namely Calgary and Edmonton, one (1) more electoral district as the population warrants the same. The balance of electoral districts could have remained the same except for a small adjustment as to population to one or two electoral districts. In this manner, the commission could have avoided the grave errors they made as described in the preceding and subsequent paragraphs.

6. The whole problem with the new electoral districts could have been avoided if the commission had not created the electoral district of Rocky Mountain. This district because of difficulties hereinafter stated, should be abolished. The creation of same put the whole report and map of the electoral districts out of balance and contrary to law.

7. The mistake made by the commission when they set up the electoral district of Rocky Mountain created problems that far outweigh the benefit. These problems created are as follows:

(a) The roads and railways run east and west while accessibility demands north and south travel.

(b) Private air travel is impossible in this mountainous area and no recognized commercial airlines have landing fields.

(c) No consideration was given to the accessibility of one point with another and hundreds of miles of travel will be necessary to go from a southern point of the constituency to a northern point of the constituency. (For example, Blairmore to Whitecourt).

(d) The expense of travel for any member of parliament carrying out his duties and responsibilities or for any candidate electioneering in the area would be exorbitant.

(e) Communication and transportation between points in this electoral district is a physical impossibility.

8. And such other objections that the undersigned members may deem necessary to carry out the spirit and terms and conditions of the act in question.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, like the speakers who have preceded me, I shall try to be brief. This objection is made in accordance with section 20 of the Electoral Boundaries Readjustment Act which gives members of Parliament a last opportunity to make representations to the commission. Like hon. members representing New Brunswick and others who have spoken, as one of the spokesmen for my province on the subject of redistribution I appreciate the difficulty the commission faced in arriving at its decision. I appreciate also that the purpose and spirit of the act were that these decisions should be reached by independent commissions rather than by parliament, thereby taking this matter outside the field of politics.

This brings me to the first point I wish to make. If hon. members will turn to pages two and three of the objections filed with Mr. Speaker pursuant to the Electoral Boundaries Readjustment Act, they will find that our objection was signed by a number of members. We signed it and there is one objection,

but we have all taken the same position as if we had filed independent objections. The spirit and the wording of the objection are such that they will cover both the general and particular arguments referred to by speakers from our province.

I should also like to draw the attention of the commission to the fact that not only has this objection, filed with Mr. Speaker in accordance with the act, been approved by the Conservative members of Parliament but it has been approved by the hon. member for Red Deer (Mr. Thompson), the leader of the Social Credit party. Therefore in presenting these arguments we are not doing so on any political basis but rather as representatives from Alberta. I am sure that in its review of the proceedings the commission will note that objection has been taken to the boundaries by all political parties in Alberta.

• (4:20 p.m.)

So there was a general feeling in respect of the objection with which I am now going to deal. I trust that the commission will review the situation. I believe it can be corrected readily to satisfy all political parties, chambers of commerce and the people living in the various areas and engaged in various industries who have certain common interests.

In the case of Alberta, as I said, all political parties have objected strongly to the new boundaries drawn by the commission. The 1961 census showed an increase in population in the province of Alberta. When this increase was taken into consideration, with the changes in population in the remainder of Canada, Alberta became entitled to two additional constituencies. In other words, prior to redistribution there were 17 federal districts and now Alberta is entitled to 19. The increase took place mainly in the two major cities of Edmonton and Calgary.

On the basis of the new population Calgary, even under the decision made by the commission, would get another constituency and so would Edmonton. In accordance with the memorandum and the formula set out in the memorandum there would be approximately 70,000 people in each constituency but with a tolerance of 25 per cent. I mention this at the outset so that it will be appreciated I trust, by the members of the commission when they are reviewing the objections made. These are very serious objections, and we in the province object most strenuously to one particular change which affected the whole concept, the creation of the elongated constituency running north and south known as Rocky Mountain.

As I said, the formula figure would be 70,000 according to the 1961 census and therefore the lowest figure you could have in any one constituency would be approximately 52,500. The constituencies that existed in Alberta prior to redistribution which would have to have additional population are Acadia, Macleod and Vegreville. The other 17 seats outside the city of Calgary and the city of Edmonton were just below 70,000 or just above the 52,500 and so are within the formula.

The city of Calgary after the 1961 census had 249,641 people, and I am sure the hon. member for Calgary North (Mr. Harkness) will deal with this because he is the senior member of parliament from Alberta. Edmonton had 281,021 people. If you add one more constituency to Calgary you get an average population of 83,214, and if you add one more constituency to Edmonton you would have 70,254. Therefore both cities have had a considerable growth since 1961, in fact, a terrific growth.

One of the objections which I am sure the hon. member for Calgary North probably will deal with is the fact that in the decision which was made—and it was a difficult decision in the city of Calgary and probably also in Edmonton—allowance was not made for future growth. No consideration was given to this factor by the commission. I say that with great respect for the commission. I appreciate the difficulty they had. In fact the members of the commission are known to me personally, and I know when they read my remarks they will appreciate that I am speaking in a logical way and am not being critical. I am sure my objection and the objections of the various other members will merit the consideration of the commission so that a change will be made which will make up for the deficit in Acadia, Macleod and Vegreville and bring them up to the formula.

With the consent of the house I am going to ask whether I may have placed on *Hansard* the population figures for each of the constituencies of Alberta according to the 1961 census prior to the redistribution. Before doing so, however, I am going to refer to a few of the constituencies that had populations below the formula. Acadia had 47,724, Macleod had 50,966 and Vegreville, 47,798. In respect of the Calgary ridings, Calgary North had 134,783 according to the 1961 census.

Calgary South had 124,248. When the hon. member for Calgary North speaks I hope he will point out the tremendous increase since 1961.

Then we have the three Edmonton constituencies. Edmonton East had 82,246, Edmonton-Strathcona, 121,124, and Edmonton West 150,257. I am not going to read the other population figures. I wish to emphasize that there are three constituencies below the formula and certain adjustments would have to be made in the bordering constituencies. I think we all are in agreement with this. We have discussed the matter with the hon. member for Red Deer (Mr. Thompson), and his party is in agreement. We appreciate also that adjustments had to be made in the cities of Calgary and Edmonton. I emphasize that there could be one more constituency in each of those two metropolitan areas without interfering with the situation.

I would ask that the 1961 census figures be included in *Hansard* in respect of all 17 seats. These figures were obtained from the office of Mr. Castonguay and I believe them to be accurate. With the consent of the house I would ask that these figures be made a part of the record.

The Acting Speaker (Mr. Rinfret): Does the hon. member have unanimous agreement of the house to file these statistics?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): May I ask the hon. member whether it is his wish that these figures be printed as a part of his speech now?

Mr. Woolliams: Yes.

The Acting Speaker (Mr. Rinfret): Is it agreed?

Some hon. Members: Agreed.

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

Population of present districts according to 1961 census: Acadia, 47,724; Athabaska, 59,184; Battle River-Camrose, 58,655; Bow River, 62,806; Calgary North, 134,783; Calgary South, 124,248; Edmonton East, 82,246; Edmonton-Strathcona, 121,124; Edmonton West, 150,257; Jasper-Edson, 70,088; Lethbridge, 69,175; Macleod, 50,966; Medicine Hat, 63,450; Peace River, 75,811; Red Deer, 63,205; Vegreville, 42,798; Wetaskiwin, 55,424.

Mr. Woolliams: I wish to deal with the changes which have been made. Again, these figures are based on the 1961 census. I should like to emphasize again that the growth of Calgary and Edmonton has been tremendous since the census was taken. Now we have 19 new constituencies. Just before I deal with that let me make one point. In the opinion of the Alberta members who met to consider this matter, including all those who made submissions and others who discussed the matter, and also in the opinion of the hon. member for Red Deer, if constituency No. 17 of schedule A, which is part of the report filed, had not been created the problems with regard to the other constituencies would not have existed.

• (4:30 p.m.)

The worst problem in Alberta relates to the constituency of Rocky Mountain which is No. 17 on the map, Schedule A. This problem is well known to the commission, but I should like to emphasize a few points to illustrate why everyone objects to the formation of this constituency. I appreciate why the commission felt there was a common interest among the people of the new constituency. It will include Banff and Jasper national parks as well as other national parks in Alberta. It is a mountainous area and includes the hard coal mining areas of the Crowsnest Pass, which is now in the riding of Macleod, and the hard coal mining areas at Canmore.

For these reasons the commission may have felt that the people had a common interest, but may I suggest that the disadvantages far outweigh any advantage that may exist in this regard. Let me first deal with the location and interest of the areas and people who live in the national parks. Traditionally the people of Banff national park have had the same interests as the people of the city of Calgary. Their main interest relates to tourism, both in the winter and in the summer. The people of these two areas work hand in hand and that is why Banff has for many years been part of the constituency of Calgary West, at one time represented by a former prime minister.

Jasper national park similarly has a common interest with the city of Edmonton. There is also a common interest in respect of hard coal mining areas. I point out to the commission that they perhaps overlooked one or two things in this regard. When the soft coal mines at Drumheller and East Coulee were shut down because there was no demand for such coal domestically the miners found employment in the Crowsnest Pass area and at Canmore. For that reason there is perhaps a greater common interest between the soft coal mining areas of Drumheller,

Canmore and the Crowsnest Pass than with the hard coal mining areas in the north.

The greatest disadvantage resulting from the establishment of this new consituency is a political one. I am sure the members of the commission did not shut their eyes to the political implications. If you wanted to visit the people of the constituency you would have to travel from Calgary to Edmonton and then wind your way over to Edson and Jasper. If you wanted to go from Calgary to Jasper in the wintertime you would have to travel from Calgary to Edmonton and then to Edson because the road from Calgary through Banff to Jasper is often closed during that season.

During an election campaign candidates of all parties would have to make use of television and radio stations in Edmonton, Red Deer, Calgary and Lethbridge. I do not know how many weekly newspapers there are, but someone presented that information to the commission. It would be impossible to campaign effectively and almost impossible from an administrative point of view to work this area. For all these reasons it is our submission that the establishment of this constituency will throw the whole province out of balance.

If that one problem in relation to the proposed constituency of Rocky Mountain were solved there would be few constituency problems in Alberta. I suggest they could all be remedied in a non-political way. The constituencies in Calgary and Edmonton should remain identical except for population. The constituencies of Acadia, Vegreville and Macleod could be adjusted with the adjoining constituencies. A new constituency should be created in Edmonton and in Calgary. This could all be done without disrupting the whole electoral map and would be satisfactory to the people of Alberta.

The newspapers in Alberta have been very critical about the creation of the new constituency of Rocky Mountain and have referred to it by many names. I do not intend to repeat them because, as I pointed out earlier, I want my submission to be factual and logical with the hope that it will merit the consideration of the commission.

At this point I should like to place on record the populations of the new areas based on the 1961 census. This document is dated March 4, 1966. I obtained it from Mr. Castonguay's office. It relates to the population of the new Alberta constituencies after redistribution and is based on figures established by the 1961 census. Redistribution boundary names are used and it includes 19 constituencies.

Before redistribution the constituency of Athabasca had a population of 59,000. After redistribution the population was reduced to 54,000. The constituency of Bow River had a population of 58,655 which was increased after redistribution to 61,555. Those are two examples of the changes.

I suggest the commission has properly applied the formula in reference to population and the tolerance and has endeavoured to increase the population of rural areas. If you analyse the situation you will find that they have used some care in this regard, because not one constituency after redistribution has a population which comes anywhere near the 25 per cent tolerance figure.

It is interesting to note that the commission has said in its report that certain maps were presented to them by one of the commissioners but that they were not used. Apparently they had their own ideas. I believe the creation of a mountainous constituency is the result of a dream that one or two of the commissioners had. So far as beauty is concerned this is a wonderful idea, but from a practical, administrative or political point of view this idea will not work. I might add that all the Alberta members agree in this regard.

I am sure that if the commission takes a second look at the situation and considers our suggestions it will make the necessary changes and adjustments. I should like to refer to one or two other features of the proposed new Rocky Mountain constituency. The main railway lines and roads in Alberta run east and west or at an angle toward the valleys and passes in the mountains. It is almost impossible to travel north and south in the mountainous areas.

I should like to refer to Section 13 of the act. Perhaps when we were legislating we were a little careless in our interpretation, because I am sure members on all sides of the house thought that under this section the commission had a certain duty and responsibility. This may not be clear from the law because one of the members of the commission in Alberta was a very able lawyer and is a very distinguished judge and he apparently did not make this interpretation.

• (4:40 p.m.)

Section 13 of the act says:

(c) the commission may depart from the strict application of rules (a) and (b)—

That is in reference to the formula of 25 per cent up or down.

—in any case where

(i) special geographic considerations, including in particular the sparsity, density or relative rate of growth of population of various regions of the province...appear...necessary or desirable.

Some lawyers have interpreted this to mean —of course, law is not an exact science—that the commission had to take these matters into consideration and this was the reason for their creating Rocky Mountain. Perhaps Mr. Justice Porter, a distinguished jurist, took the opposite view, namely that he could use it as a guide when he ran into these problems. But whatever interpretation was accepted by the commission, our main objection has been that creating this constituency has also created problems with reference to other electoral boundaries.

The creation of these problems is the main reason for raising our objection today and for setting out the eight objections to be found on page 2 of the document distributed to Members of Parliament in reference to this matter. I need not be repetitious in this regard because our objections are very clear. They were not drawn up by one or two members; they were drawn up by all the members who signed the objection. Knowing the commission, I am satisfied that they will review our objections carefully.

In order that the two population tables may be read together, namely, the one covering the 17 constituencies which were made 19 on the basis of the 1961 census, I would ask that the table I have in my hand be made part of *Hansard*. This table enumerates the 19 constituencies starting with Athabasca and finishing with Wetaskiwin. These constituencies are outlined in schedule A annexed to the report of the commission.

The Acting Speaker (Mr. Rinfret): I would ask hon. members whether they give unanimous consent to the hon. member for Bow River having printed in *Hansard* as part of his speech the table to which he has referred.

Some hon. Members: Agreed.

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

Population of Alberta Constituencies Before and After Redistribution

(a) These figures are based on the 1961 census.

(b) Redistribution boundary names are used.

	Population Figures	
	Before	After
1. Athabasca	59,184	54,336
2. Battle River	58,655	61,553
3. Calgary Centre	—	81,724
4. Calgary North	134,783	82,611
5. Calgary South	124,248	82,671
6. Crowfoot (Acadia)	47,724	59,100
7. Edmonton Centre	—	82,836
8. Edmonton East	82,246	82,727
9. Edmonton Strathcona	121,124	82,145
10. Edmonton West	150,257	82,420
11. Lethbridge	69,175	70,786
12. Medicine Hat	63,450	65,288
13. Palliser (Bow River)	62,806	65,652
14. Peace River	75,811	54,169
15. Pembina (Macleod)	50,966	67,306
16. Red Deer	63,205	68,737
17. Rocky Mountain (Jasper-Edson)	70,088	57,810
18. Vegreville	42,798	65,012
19. Wetaskiwin	55,424	65,061
Total	1,331,944	1,331,944

Mr. Woolliams: The main objection to Rocky Mountain, therefore, is its inaccessibility, and in our opinion the commission failed to take into consideration section 13 (c) of the act in this regard. They may have looked at the geography but they did not consider the accessibility of the area. It is impossible to cover this constituency travelling by road from one area to another. Members of the commission will know that this is a mountainous area and the streams, roads and railways run east and west. Therefore in the former map, in which Rocky Mountain was part of the constituencies of Macleod, Bow River and Red Deer, there was greater accessibility and it was certainly better from an administrative point of view.

There is also the question of people with common interests. Perhaps the commission took the view—I can imagine them doing so—that one member of parliament could represent the parks better than four. I would ask the commission to reconsider this philosophy, because if you want a change in policy with regard to our national parks and have three or four members of parliament, that number of members adds weight to any submission or argument. For example, when dealing with the question of the Olympics the other day the hon. member for Red Deer (Mr. Thompson) supported my submission with reference to the Olympics being a good thing for Banff national park, the city of Calgary, the province of Alberta and Canada as a whole, because it would make Canada known as a winter tourist resort and would attract a great deal of revenue to this nation. I would ask the commission to consider whether three

or four members of parliament could not do a better job in this regard.

Of course, Mr. Speaker, I would ask them to reconsider their decision on another basis, namely, that diversification of economic activity in a riding adds variety to it. In the constituency of Bow River we have the parks, the hard coal mines of Canmore, the ranches of the foothills, the city people of Calgary and the farmers and soft coal miners of Drumheller. During my years as a member of parliament I have not found it difficult to put the interests of these various sectors before the house or the departments of government. I have been able to represent these various interests properly and obtain for them proper administration at the federal level no matter whether the government was Conservative or Liberal.

To summarize my argument, Mr. Speaker, we ask that constituency No. 17, Rocky Mountain, be eliminated and that the boundaries be restored to their original position, changing and adding to the population of the three constituencies I have mentioned. We ask that Calgary and Edmonton each receive another constituency. We also ask that the commission reconsider Calgary and Edmonton on the grounds that they are probably the two fastest growing cities on the North American continent and they must take into consideration the future growth of these cities if the formula is to be effective until the next census or the one thereafter.

I trust that the commission will consider the remarks I have made this afternoon. I hope they appreciate that I am not being critical in the sense of criticizing their work because I appreciate the difficulty. My submissions have been made on the grounds that I hope they will be helpful to everybody concerned, not only to me as the member of parliament at this time but to all future members representing Alberta. I know at least two members of the commission and am sure they are thoughtful, intelligent and capable men. I trust they will take these submissions into account and make the necessary changes, not only to satisfy the members who speak today but the majority of the people of Alberta.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, when I first saw the proposed redistribution map for the province of Alberta it would be putting it mildly, I think, to say I was astonished. I was astonished because, in the first place, the proposed redistribution creates a large, unwieldy constituency which did not exist before and which I can see no good reason for creating. The hon. member for Bow River (Mr. Woolliams) has mentioned some of the disadvantages of the proposed new constituency of Rocky Mountain. I should like to mention some of them also.

To begin with, Mr. Speaker, I believe only one of what have been generally accepted as the principles to be followed in redistribution has actually been followed in this case. I refer to the principle that there shall be a reasonable approach to representation by population in the constituencies. So far as the other considerations are concerned, namely, a community of interest and putting together in one constituency people with a community of interest, ease of communication from one part of the constituency to another, the least disturbance to the traditional pattern, and some attention to growth pattern, none of these, it seems to me, have really been given much consideration.

• (4:50 p.m.)

The hon. member for Bow River referred to chapter 13 of the Electoral Boundaries Readjustment Act and noted some of the provisions that were put into the act to indicate those matters which should be taken into consideration. I will not take up the time of the house in reading them again. In essence they are the matters I have just mentioned. I should like to stress one in particular, the density or relative rate of growth of population of various regions of the province. In the debate on this bill in the house I presented an argument to the effect that one of the factors which the electoral commissions, which at that time it was proposed to set up and which were subsequently set up, would have to take into consideration would be what the growth had been since 1961 when the census was taken and what the growth potential was in different areas. My understanding was that this principle would be carried out according to the phrase I have just read. However, this does not seem to have been done and I will come back to that later.

The effect of creating this large new constituency of Rocky Mountain, some 450 miles from north to south and over 200 miles from east to west at its widest point, was to push all the other constituencies into an unnatural form. In other words, the creation of that constituency made it impossible to redistribute the constituencies in the province on a reasonable basis, in my opinion at least, one

which would have taken into consideration the factors I have just mentioned. As has been indicated by the hon. member for Bow River, redistribution could have been accomplished in accordance with this principle simply by readjusting the boundaries of existing rural constituencies in order to bring those which were below the quota up to the required number and to meet the tolerances proposed in the act. Then two new constituencies could have been created by adding one each to Calgary and Edmonton to raise the total from 17 to 19.

I hope the redistribution commission in Alberta will look at this whole matter very carefully. I hope they will bear in mind what was said in the house at the time the act was passed providing for the setting up of these commissions and that they will pay careful attention to what is being said during this debate. As a result of this consideration, I hope they will recast the electoral map for the province of Alberta to bring it into a more reasonable relationship to the general principles I have outlined and which are actually contained in the act providing for redistribution.

I should like to say something about the situation in the city of Calgary itself. As pointed out by the hon. member for Bow River, the population growth in that city during the past two years has been very rapid. The census figures show it has been the most rapidly growing city in Canada on a percentage basis. At the time of the 1961 census the population was in the neighbourhood of 270,000 and at the present time it is in the neighbourhood of 340,000. This change in population, which had taken place at the time the commissioners went to work, apparently was not taken into consideration.

What was not taken into consideration particularly was the probable growth, in fact, the certain growth which was going to take place. The fact that these things were not taken into consideration in the distribution of seats proposed for Calgary will create one seat, Calgary Centre, which is entirely surrounded by other constituencies in a completely built-up area at the present time. This constituency includes the centre part of the city in which there is a large number of houses, small apartments, rooming houses and things of that kind. These buildings are being taken down every week in order to make room for a vast complex of commercial buildings and structures of that type. In other words, it is a constituency which even at the present time, so far as numbers are concerned, does not bear a proper relationship to the other two constituencies because of the changes which have taken place since 1961. It is a constituency which will steadily grow smaller in population whereas the other constituencies will continue to expand rapidly. On this basis, therefore, you have a redistribution which is designed to perpetuate a disparity in voting power between people, depending on the part of the city in which they live.

In other words, the whole purpose of redistribution, to try to get a fair voting pattern so that there will be reasonable representation by population, is being defeated by this division in the city of Calgary which will mean a greater and greater disparity in voting power as each week and month go by. I feel, therefore, that the division in Calgary was adopted on an incorrect basis. The constituencies in Calgary should be arranged on a basis which would permit each room for growth. Each constituency should take in some of the land on the edges of the city where new houses are being erected every week. Then there would be some chance that the population of these constituencies would remain in equilibrium. Actually a more reasonable and logical way of dividing the city of Calgary would be to divide it into four quarters, northeast, northwest, southeast and southwest, each with some of the adjoining country territory attached to it. You would then have four constituencies which would have a good chance of remaining in approximately the same relationship.

I hope, too, that when the commissioners reconsider this matter one of the first things they will do will be to take into consideration the growth of the city of Calgary since 1962 and the growth that is certain to take place in the future. Then they could set up each of these constituencies on a basis that would provide them with an opportunity to continue to expand in population.

Mr. R. N. Thompson (Red Deer): In taking part in this debate, Mr. Speaker, I think I should point out it is of significance that all 17 members from Alberta are speaking with one voice in protesting what has taken place in connection with the redistribution of constituencies in that province. I hope that one result of this will be that the chairman of the National Electoral Commission and the provincial commissioners will make careful note of this fact. The experience of the sitting members for the present constituencies should provide a basis for a very important

argument which in my opinion should result in a complete revision of the decisions made by the Alberta commission.

I might just mention in passing, Mr. Speaker, that in the debate setting up the electoral commissions I stated my opinion that it would be more satisfactory if these men could be appointed on a non-political, non-partisan basis. However, as I have studied the results of the Alberta commission's deliberations, as well as those in some of the other provinces, I have come to the conclusion that I was mistaken in this opinion. I believe that no group of political representatives could have committed the errors which have been made in so many of the instances we have before us.

• (5:00 p.m.)

In this regard I was quite impressed by an argument advanced by Senator Jean François Pouliot, which is recorded in the Senate Debates for February 23. Surely Senators should not be too concerned, from the point of view of their own personal welfare, about constituencies and the readjustment of boundaries, so I think this veteran parliamentarian must have been speaking from conviction and without prejudice. He had this to say:

> I would also add that in my view it is a very serious mistake for the House of Commons to abdicate its rights, and for the members of that house not to decide what in fact is their own business, the establishment of county boundaries. I am sure that the representatives of all political parties and groups in that house could come to some arrangement. It has been done for nearly a century, and I feel it should still be possible for them to come to a compromise regarding the establishment of these boundaries.

I believe those are words of wisdom, Mr. Speaker. What is happening now in this debate is evidence that it is possible for those who are directly concerned as members of parliament in the area of politics to come to an agreement which would be to the best advantage of all concerned as we are trying to reach a more equitable distribution of electoral seats in light of population trends.

I suggest there are several basic principles which should be followed in any adjustment of electoral districts. I know these points are not new and have been made before in this debate but I wish to re-emphasize them. First of all, it is imperative that natural boundaries be considered. In many instances natural boundaries are barriers to travel and communication. I would also mention in this regard that I believe that before too long we are going to be faced with having to accept a permanent voters list. When these permanent voters lists are established it would be to the advantage of municipal, provincial and federal government electoral boundaries if they were made conterminous at every possible point. There is no better point where conterminous boundaries can be established than along natural barriers.

I also believe there are natural lines of communication both commercial and social, which must be considered. Certainly population trends are very important. In the allowable quota on either side of the norm which has been fixed it is only reasonable to say that the more rapidly growing areas, such as the urban areas, must be considered so far as future developments are concerned. Otherwise in a very few years we would have a repetition of the situation which now exists in many cases. In this regard I refer to the cities of Calgary and Edmonton.

Perhaps the most important principle of all states that it is essential in a representative democracy that the constituents living within an electoral district have access to their member of parliament and that likewise their member of parliament have access to his constituents. It is only as we can keep that communication open and as free as possible that we can have the desired result in parliament.

In the case of Alberta I believe the commission did not take into consideration these basic points as they should have. Otherwise we would not have the situation we have at the present time which I think is entirely impractical and certainly not desirable.

The whole problem in Alberta has been created because of this new, impractical monstrosity called the constituency of Rocky Mountain. This constituency begins at its southern boundary at the United States border, moves through Waterton national park, through the Crowsnest area up to Banff national park and on through Jasper national park. Then, because they could not find enough people even to come within the desired norm, the commissioners had to move farther north till they came within three townships of the town of Grande Prairie, some 700 miles from the U.S. border. They had to move eastward to take in a town like Whitecourt. As a result we now have an absolutely impossible constituency contrary to every one of these principles I have mentioned.

It is my opinion, and I think my opinion coincides with the opinion of all members of

parliament from Alberta, that the problems which we face in other constituencies such as Peace River, Athabasca and Vegreville have arisen because of the situation created by this new constituency, one which is completely unreasonable from whichever direction you might care to look at it.

It is important, Mr. Speaker, to draw to the attention of the house the objections which were stated by those who presented the protest. I mention these several points because I do not know of any more concise way to bring out the objections which I consider important. I quote:

> The mistake made by the commission when they set up the electoral district of Rocky Mountain created problems that far outweigh the benefit. Those problems created are as follows:
>
> (a) The roads and railways run east and west while accessibility demands north and south travel.
>
> (b) Private air travel is impossible in this mountainous area and no recognized commercial air lines have landing fields.
>
> (c) No consideration was given to the accessibility of one point with another and hundreds of miles of travel will be necessary to go from a southern point of the constituency to a northern point of the constituency.

We are suggesting towns like Blairmore in the Crowsnest Pass, and Whitecourt in the far north.

> (d) The expense of travel for any member of parliament carrying out his duties and responsibilities or for any candidate electioneering in the area would be exorbitant.
>
> (e) Communication and transportation between points in this electoral district is a physical impossibility.

The actual adjustments made by the commission—I know they spent hours of their time giving consideration to the problems they attempted to solve before reaching the decision that there would be a Rocky Mountain constituency—do not in a very major way affect the constituency of Red Deer. Basically we have a reasonably large urban centre in the city of Red Deer, growing at about the same pace as the general population increase of the two major cities. With a large rural area surrounding, the urban growth compensates for the slower growth on the rural side.

The adjustments recommended so far as my constituency are concerned were not basically objectionable, but to illustrate the point I have made in regard to Rocky Mountain constituency I would cite one example within my constituency which affects only 400 or 500 people so as to show how completely impractical the whole idea of a Rocky Mountain constituency is. I am thinking of a community known as Strachan, another community known as Ricinus and a very small ranching area west of Sundye. In this area there is a total population of not more than 500 people.

These people are completely cut off from any connection with a town or trading centre. In fact, they have to go as far south as Waterton Lake or as far north as Whitecourt, without having any direct communication with either centre, in order to reach the extremities of this constituency. They are less than ten miles away from the respective market towns of Rocky Mountain House, Caroline or Sundye. Yet they are now separated from them, completely on their own, into an area which involves Banff and Jasper National Parks.

• (5:10 p.m.)

Even more important than this, a very grave error arises out of the fact that three small Indian reserves in this area are completely cut off from all commercial and social connections within the constituency. We are trying to encourage our Indian people to accept their responsibility of using the franchise; yet here we are taking a few hundred people, for the sake of a constituency known as Rocky Mountain, and completely cutting them off from any connection whatever with their normal activities in the community in which these reserves are situated. This is a very serious mistake and one which cannot be condoned. A member of parliament representing this constituency must spend many hours travelling to reach this little area, and so must the people who happen to reside in Banff, Jasper or Waterton parks who wish to get in touch with their member. I use that just as an illustration. To my way of thinking Rocky Mountain constituency is behind the whole problem that we are trying to put forward in this debate.

I should like to give one more example of a glaring mistake made by the commission in not giving consideration to certain matters which I previously mentioned. The town of Three Hills is in the southwest corner of the constituency of Red Deer. In the proposed electoral changes the boundary would go through the centre of the town. That town has less than 2,000 people. It is to be cut in half, so that those in the south side of town are in one constituency and those in the north half in another. I do not think there is any excuse for this because it cleaves the town in half, making it into two political entities. I think that is another proof of the

fact that the commission must have listened to some kind of arguments that proposed that the national parks should be in one constituency.

I think that the representation of the people living in the national parks could be much better if the representation were left as it is now with Waterton Park in Lethbridge constituency, Banff Park belonging basically to Bow River and Jasper Park belonging to Jasper-Edson with Red Deer in between. There are alternative ways of suggesting this, of course.

However, I wish to speak in full support of the hon. member for Bow River and the hon. member for Calgary North in what they have already said. I wish to say also that the two rapidly growing urban areas, the cities of Calgary and Edmonton, each deserve another member. At the present time, on the basis of their populations they could accommodate more than an extra member. That could be done if the extra population left over were to be assigned to such constituencies as Vegreville, Acadia or, if necessary, Macleod. What I mean to say is that the city of Calgary has a large enough population to be deserving of three and a half members on the norm basis of representation.

What we are asking is that an additional member be added to the city of Calgary and an additional member be added to the city of Edmonton. They are entitled to this. With the minor adjustments that are necessary in some of the former constituencies, those adjustments could easily be made.

Again speaking of my own constituency, it is entirely within the normal range and even if it were left as it was it would stay very close to the norm. Therefore the argument that we are presenting, which is concurred in by members of the Conservative party and other parties in the house, is that we should scrap this whole Rocky Mountain constituency altogether and in doing so leave the boundaries of the other constituencies approximately as they were, eliminating the problem that has been created in Peace River and Athabasca.

I submit also that as Alberta is entitled to two more members of parliament one being assigned to the city of Calgary and one to the city of Edmonton. I would think that there would be no objection to such adjustments. Also, I suggest that we ought to be able to work out a more equitable distribution for the remaining constituencies which may not have as large a population as they should have.

In closing I should like to ask the commission, in considering the arguments that have been presented this afternoon, to take cognizance of the principles which have been outlined by myself and others, especially in such a situation as in the town of Three Hills to which I earlier referred, so that adjustments can be made which will not be contentious. That would certainly be an improvement. I hope, Mr. Speaker, that the commissioners in Alberta will consider the arguments that are being made and bring about a more desirable situation than exists at present in the recommendations we have before us.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to underline what has been said by other hon. members from Alberta this afternoon about the unanimity of view in respect of certain changes and observations in regard to the report by the Alberta redistribution commission. I heartily concur with the remarks which have been made. I know that hon. members from the province of Alberta who will not have an opportunity to speak share these views.

Before going into the detail of the report perhaps I could touch again on some of the arguments advanced by our colleagues from Alberta. I should like to say in a general way that I find it regrettable that the commission has failed to include in its report any reasons for its recommendations. We get a blanket report devoid of any argument, devoid of any cogent reasoning. The burden is then put upon the populace and upon members of parliament to convince the commissioners that they were wrong. Yet it is the commissioners who are proposing the changes. I say with the greatest respect that it is for the commissioners to justify the changes they propose to make.

The law does not say that a commission can play tick-tack-toe within a province. I am sure that we can all sit down and on the basis of population alone come up with something. However, population alone is not the sole criterion. If it were we could come up with some of the most fantastic and glorious looking divisions. One could take a province and use vertical and horizontal stripes to cover with the appropriate population. This would disregard everything.

I refuse to accept the principle that representative government means the hiving within certain arbitrary boundaries X number

of persons and from those persons electing one member of parliament. That is not parliament and it is not representative government. In section 13(c) of the act there are any number of reasons why this is not to be. An analysis of the arguments advanced by hon. members at the time we were discussing redistribution as to why there should be variations indicates that three factors must be taken into account. I am sure there are members on the treasury benches today who are most surprised that certain commissions have ignored or have seemed to ignore elementary principles of demography, elementary principles of geography and, even more important, the quality of representation that those people would receive as a result of the political division in which they will have to live.

It is obvious, and I reiterate what has been said by my three colleagues from Alberta who have spoken before me, that there is a complete absence of community interest as a result of the report. We could go into any number of constituencies and find that. I thoroughly agree with all that has been said in so far as the proposed constituency of Rocky Mountain is concerned.

• (5:20 p.m.)

One could continue the litany of criticism. We already have constituencies in this country in which, by reason of their relative isolation and great size, nomination dates are advanced by a fortnight and other factors are taken into account. Admittedly no greater travelling expenses are allowed to the candidates or to the members. Frankly, this proposal will create another such situation because, as the hon. member for Red Deer (Mr. Thompson) has pointed out, to get into this Rocky Mountain constituency one would have to travel in and out like a stitching machine or a zipper going up the eastern side. This is the great difficulty when trying to deal with a constituency some 25 or 30 miles wide at its southern extremity, some 125 miles at its greatest width, and 700 miles in length.

Take the western extremities from the constituencies of Lethbridge, Macleod and part of Calgary South. In actual fact, it comes within the southerly boundaries of the city of Calgary, Bow River, Red Deer and the bulk of Jasper-Edson. It is conceivable there may even be one row of townships of the constituency of Peace River.

Mr. Thompson: There is.

[Mr. Lambert.]

Mr. Lambert: This is playing tick-tack-toe. I would earnestly pray the commission to review this situation. These remarks have been made before the commission. I appeared before it as one of the first witnesses. The proposal by the commission for a Rocky Mountain constituency was attacked almost unanimously. We could have had a much more intelligent dialogue with the commission had they stated their reasons for rejecting the arguments we put forward. I said that representation is not a mere hiving together of so many thousands of people within certain arbitary political boundaries. As we all realize, the purpose of an election is to give a representative to people, and in order that this representative may be in a position to perform his task effectively there must be access to the people he represents and they in turn must have access to their member. As far as possible he should be able to live in the centre of his constituency, accessible from all its corners. There is not one place in Rocky Mountain where this could be done. The same could be said about the constituency of Athabasca. There is not one road, not one railroad, which goes through the constituency of Athabasca along the main core of the population. There will soon be a road running to a point within 180 miles of the north of that constituency, between the new oil development centre of McMurray and the town of Lac la Biche, but beyond that there is nothing.

There is nothing so ludicrous as the attempt to lump into one area the town of Peace River, the home town of the hon. member for Peace River (Mr. Baldwin) which is being taken away from him, and the area not so many miles north of Lloydminster on the Alberta-Saskatchewan boundary. To reach the developing area of Fort Vermilion and High Level, all this area which is developing as a result of the building of the Pine Point railway which is now being placed in the constituency of the hon. member for Athabasca, that hon. member would need to cross the Peace River, go well into the latter constituency, then head north on the Mackenzie highway before re-entering the constituency he represents. It might be a good thing if members of this commission had to travel the boundaries of these constituencies which they have created, and in the depths of winter too. Then we would see where they would get. I am sure something has been lost sight of.

I know that the hon. member for Macleod (Mr. Kindt) intends to speak about the problems created by the constituency of Crowfoot. The objections I have been making apply equally well to that constituency. But I will allow the hon. member for Macleod to speak for himself. I support my colleagues from Alberta in advocating the elimination of the proposed riding of Rocky Mountain and the addition merely of a riding to the city of Calgary and to the city of Edmonton. This is easily done within my own constituency. According to the 1961 census I have well over 200 per cent of the quota allowed for one city. So it is a case merely of making a fairly even division within Edmonton West. If necessary, minor adjustments could be made within the city ridings to create a fourth riding, but also to cut off a portion thereof and a portion from the constituency of Edmonton-Strathcona and attach them to the constituency of Vegreville as one of the constituencies judged to be short of population.

I have talked it over with the hon. member for that constituency. This is what could readily be done. Townships 58 to 60 in ranges 20, 21 and 22 could be returned to the constituency of Vegreville and townships 50 to 54 inclusive in ranges 21 and 22 could be added. Also, we could add townships 50 to 60 in range 23. This would bring Vegreville to the eastern boundaries of the city of Edmonton and give between 12,000 and 15,000 additional people to the constituency of Vegreville, bringing it well within the permissible limit of population.

In addition, the hon. member for Vegreville (Mr. Fane) has made it clear that he wants some additional territory added to the eastern portion of his constituency where he finds an Indian reserve divided in two. He would like to be able to deal with the members of the Indian band on that reserve as one unit. They in turn would like to be treated on this basis. Therefore townships 55 to 60 in range 11 north of the North Saskatchewan River should be added to the constituency of Vegreville.

It may seem strange to hon. members that I from Edmonton West should be talking about my relationship with the constituency of Vegreville to the east of the city. But there is a township which, because of the configuration of Edmonton West, goes far to the east of Edmonton East—a township in which my riding is contiguous with that of the hon. member for Vegreville. The constituency of Edmonton West envelopes the city from the north. As I said, it will be simple to pass that most easterly area in both Edmonton West and Edmonton-Strathcona to the hon. member for Vegreville.

• (5:30 p.m.)

The area immediately north of Edmonton East which finds itself Edmonton West could have been added to Edmonton East to give it the potential for growth. But we have to see what the commission has proposed. They divide Edmonton West into roughly two sectors of about 47 per cent. The remaining portion they passed off to Pembina. That too is a representative's nightmare because it envelopes the people in Edmonton South right up to the international airport with people in the Fort Assiniboine area now in the northern extremity of the Jasper-Edson riding.

But what is done with Edmonton West? It is a sort of a straightened out appendix to the east, along the north city boundary of Edmonton, a stretch one mile deep and ten miles long forming a barrier to the growth of Edmonton Centre, a barrier to growth for Edmonton East, and going east of Edmonton East. There is absolutely no community of interest between the people of Belmont and the South Patricia district, which is the easterly extremity of this appendix, nor of those of the Poplar and Turnip Lake area in the centre with the people of the southwesterly end of my riding in Jasper Place and Winterburn.

I do not know what the thinking was; it is more than I can fathom. The area is not particularly big, so far as the member is concerned. It is pretty well urban, with a slight rural fringe, and therefore does not impose any burden on him. It certainly is going to be a lot easier to get around in the urban constituencies than in Rocky Mountain, Athabasca, Pembina and Crowfoot. The disparities have been widened as between urban constituencies and rural constituencies. They have become much more difficult to represent so far as the majority of the proposed rural areas are concerned. Therefore, again I would reiterate that the Rocky Mountain riding should be eliminated and the present boundaries kept other than for minor adjustments in the rural areas, with the exceptions of Vegreville, Macleod and Acadia which require some additions of population but which can easily get them.

In the division of the urban ridings provision must be made for a potential for growth. The hon. member for Calgary North (Mr.

Harkness) mentioned Calgary Centre as being a completely hived in constituency where residential premises are being eaten away every day and where for even only a maintenance of their present population or even at best a potential for growth there must be a massive urban renewal for residential purposes in the constituency of Calgary Centre. The same may be said for Edmonton Centre. These are downtown and next to downtown areas, surrounded entirely by other constituencies which possess a monopoly of area for growth.

There are a number of other members from Alberta, Mr. Speaker, who are going to make representations in the same sense. I would earnestly urge upon the commissioners that they review the arguments made before them during the public hearings and that they give very careful consideration to the representations which are being made in a constructive way on this occasion, because it is the type of representation which will be produced by this redistribution upon which depends in great measure the representation which the people shall get.

The people are not mere ciphers or, as someone said, to be herded together like so many sheep in a pen. Regretfully I come to the conclusion that insufficient attention has been paid to these factors and that there has been some sort of obsession with the idea that there shall be so many people and it does not matter how we get them. I could speak also about the anomalies in the proposed constituency of Pembina which stretches south and east of the Saskatchewan River and of the city of Edmonton, with for the first time in its history the riding of Wetaskiwin which lies south of Strathcona and which now is being brought north of the Saskatchewan River, west of Edmonton West to take in an area where the people have no contact whatsoever with the people of Wetaskiwin. It is not that they do not like them, but there is nothing in common. We get the anomaly of little hamlets being divided in two because the proposed boundary line will go down the centre of the only street in the hamlet. This is where I feel you get a kind of unthinking, soulless division.

What about St. Albert where they limited the representation in Edmonton West to the corporate boundaries of the town. All the people living on the outskirts who send their children to attend the schools, who attend the churches and market in St. Albert, who curl there and who use it as their social centre, must go to Pembina to vote, a place where they have little or no contact whatsoever. Therefore I would earnestly entreat the commissioners to give these representations attentive consideration and completely review and revise the redistribution of Alberta along the lines suggested by the overwhelming majority of Alberta members this afternoon.

• (5:40 p.m.)

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I am pleased to have the opportunity of saying of few words about the objections to what has been done in Alberta by the commission under the Electoral Boundaries Redistribution Act. At the outset I should like to say that it is not my intention to register any personal criticism of any individual who served on that commission because that would certainly be unfair. All were doing a job given to them by this parliament and they did it to the best of their ability. If any mistakes have been made I am sure they are traceable to the weaknesses inherent in the act which parliament passed. We here, therefore, are to blame.

I am sure you will realize that I am not satisfied with the results of the redistribution. I should like to touch upon several developments and situations which now exist in respect of the electoral districts in Alberta. The hon. members for Calgary North (Mr. Harkness), Edmonton West (Mr. Lambert), Red Deer (Mr. Thompson) and Bow River (Mr. Woolliams) have covered the broad aspects of the act and the manner in which it has been followed in the province of Alberta. There are 17 members in this house from Alberta who agree with the sentiments expressed by those who have already spoken. I should like to touch upon one or two weaknesses of the act which have not already been pointed out.

The act requires that one member of each commission shall be a judge. I think it is unfair to a judge who is accustomed to dealing with judicial matters to be asked to accept a job which by its very nature has political implications, because judges traditionally have been removed from political considerations. The work of these commissions is such that there are bound to be criticisms from members of parliament and others who object to the constituency boundary changes.

I should like to refer to another shortcoming in the terms of this act. Many lawyers, particularly those who are members of parliament, may find themselves reluctant to

criticize the work of the commission in relation to the boundaries of the constituencies because of the fact that at some time or another they may appear before the judge who is a member of the commission to plead a legal case. This difficulty can only be overcome by changing the act so that it does not make it mandatory that a judge be a member of the commission.

It was my understanding that there was to be no partisanship in the appointment of members to these commissions; yet it is strange that of the four members of the commission in Alberta three were Liberals and one was a Social Crediter. Perhaps that did not make any difference, and we hope it did not. In any event we did not register a complaint. This situation caused a great deal of criticism throughout Alberta. I suggest that the act should be changed so that such a situation cannot again occur. I do not lay any blame on the commission but rather on the parliament of Canada which passed the act.

Every member from Alberta who has spoken has criticized the proposed establishment of constituency No. 17 which would be known as Rocky Mountain. I have great regard for the remarks of the hon. member for Red Deer. He has accurately stated that this situation has created every other constituency boundary problem in the province of Alberta.

In order to create this constituency a huge area has been taken from the west part of Macleod riding, and the constituency extends for a distance of 410 miles. Can anyone imagine a constituency being 410 miles long, embracing three national parks, the Crowsnest Pass area and a multitude of rich industrial and natural resource areas?

I represent Macleod riding which extends from six miles south of Banff to the international border. It includes the Crowsnest Pass area as well as the tremendous grazing areas in the mountains and foothills. These grazing areas are utilized by livestock producers who trail or transport their stock to these pastures in the summer and back out in the fall of the year. In other words, the people living adjacent to these areas are the people who utilize them. Having represented this area for eight years I am aware of the specific problems which these people encounter. We have held many meetings to discuss these problems.

Like the hon. member for Lethbridge (Mr. Gundlock), I must concern myself with problems relating to the Waterton Lakes national park, and this requires a good deal of time. My colleague and I held a meeting at Waterton Lakes which had an attendance of about 400, and this constituency boundary question was raised. The entire assembly voiced objection to the proposed creation of constituency No. 17 by the boundaries commission.

• (5:50 p.m.)

Some of the arguments advanced at that meeting were: How would you choose a candidate to run for any political party when the constituency is 410 miles long? Where would you hold the meeting? Would you hold it in Banff, Waterton Lakes or Jasper? No matter where you held it, everyone would have to come out to the main north-south highway from either Edmonton or Macleod to Calgary and, if it were to be held in Banff, go in from the main north-south highway to that point. The distance to be travelled would be hundreds of miles.

If I know anything about nominating conventions—hon. members in all quarters of the house are familiar with nominating problems—people who were anticipating attending such a convention would hesitate to do so because of the distance to be travelled. In addition, at a nomination convention of this kind you would have a "bulking-in" of people from the immediate vicinity. If it were held at Banff there would perhaps be a sprinkling of people from Waterton Lakes, Crowsnest Pass and Jasper-Edson but the bulk of those attending the convention would be from Banff.

After a candidate had been nominated he would, of course, have to represent the whole constituency if elected to this house. But after appropriations had been made or set aside to run the affairs of the national parks at Banff, Jasper and Waterton Lakes, I am certain that if only one member were representing all three areas each park would blame the others for not having received the lion's share. As it is, the hon. member for Lethbridge and myself represent Waterton Lakes. We do our best to obtain appropriations, public works, swimming pools, roads and all the other things needed for that park. We are proud of the park. We are proud of what we have been able to do for it, and the people in the area are 100 per cent satisfied with the job that has been done. But if Waterton Lakes park is joined with the other two so far as representation is concerned I can assure you there will be discontent on the part of the people in the area. This in itself is an argument against the implementation of the proposal to make Rocky Mountain a constituency.

The hon. member for Edmonton West (Mr. Lambert) has dealt with this question and I believe the hon. member for Jasper-Edson (Mr. Horner) intends to speak on the subject. Therefore I need not dwell on the matter any longer except to say that I believe the creation of the constituencies of Rocky Mountain and Crowfoot would cause maladjustment of the territory. I do not know the exact population in the Brooks area which is to be taken away from the constituency of Medicine Hat. To enable this to be done, the constituency of Medicine Hat has been extended west to take up a great portion on the eastern side of the constituency of Lethbridge. This makes Medicine Hat a safe Social Credit constituency. Then, in order for the constituency of Lethbridge to have a population conforming with the requirement, the commissioners have moved it west by shaving off the bottom part of Macleod riding. None of this would have been necessary but for the creation of the monstrosity of Rocky Mountain constituency.

I should say a word or two about the riding of Macleod which I represent because it has been mentioned only briefly in passing. A slice has been taken off the west and south sides of the riding and it is estimated that about 60 per cent of the population included in the proposed riding of Crowfoot is from the Macleod riding. This is a rural constituency. There is a tolerance of 25 per cent with regard to population, and approximately 51,000 people live in the riding. All that is needed with regard to the constituency of Macleod is that 1,000, 2,000, 3,000 or 4,000 people be taken from the adjacent northern constituency of Bow River. The Blackfoot reserve north of the Bow River would be nearly sufficient. No other adjustment would be necessary for the constituency of Macleod.

In this regard, Mr. Speaker, and in fairness to the electoral boundaries readjustment commission, I have prepared a map which, with the consent of the house, I should like to have passed on to the Alberta commission.

The Acting Speaker (Mr. Rinfret): Has the hon. member the unanimous consent of the house to file with the Clerk the map to which he has just referred?

Some hon. Members: Agreed.

Mr. Kindt: There is certainly nothing contentious about the map which I wish to be passed on to the Alberta commission. In all fairness to the commission, we wish to be helpful to them and make constructive suggestions. In my speech I have attempted to put forward suggestions that will prove helpful to them and I know all hon. members are trying to do the same. However, as everyone knows, one picture is worth a thousand words and in regard to the riding of Macleod I want to show where an area could be added. This question has been discussed many times. The area that could be added to the riding of Macleod would include the Gleichen Indian reserve and a few adjacent townships. I would ask that this map be passed on to the commission for their information. They would then have it at hand when this question is under consideration.

• (6:00 p.m.)

I understand that a map containing all the constituencies has or will be considered. I like simplifying matters. Slight adjustments could be made to the boundaries of the constituency of Macleod, and these I have indicated. I believe that the amount of adjustment necessary in the riding of Macleod is less than that required in the two constituencies I now propose to mention. The riding of Acadia needs a few more people, as does Vegreville. These are the only adjustments that need to be made except that one more member is to be included in the city of Edmonton and one more for Calgary. Anyone familiar with the figures could make these adjustments and the result would be constituency boundaries in Alberta that would fit the physical conditions as well as being very satisfactory, I should say, to the people who live there.

I do not want to take too long but before closing my remarks I should like to say that Macleod riding was named in honour of Colonel Macleod who was head of the Royal Northwest Mounted Police. He gave the name of "Calgary" to the city of Calgary after his home on the Island of Mull off the west coast of Scotland. Why destroy something which honours a great and brave man whose helpful handling of the Indians brought peace and settlement to southern Alberta?

I attended the ceremonies installing the first president of Calgary University the other day and I was pleasantly surprised to learn that this university has taken a sentence in Gaelic and added it to the shield of the new Calgary University. This is a great honour to Colonel Macleod. You can see, Mr. Speaker, that it would be a shame to do away with the constituency of "Macleod" and substitute "Crowfoot". Crowfoot and Macleod were the

two men who dealt together to settle the Indian problem. I have nothing against the name Crowfoot. It is one of the names that has gone down in history in connection with the Indians of the area. Above all, the name "Crowfoot" is regarded with the highest respect by the 8,000 Indians in Macleod riding. But why disturb what everyone knows, what everyone honours and appreciates? In short, why do away with the name "Macleod"?

Colonel Macleod led the Royal Northwest Mounted Police into Fort Macleod in 1874 and gave the town its name. The people of that particular area are proud and one can understand why they do not want to give up the name "Macleod". In order to keep them happy and keep everyone happy who knows the tradition and history of the Indians, I hope the commission will take another look at this situation and preserve the name of Macleod riding. If the riding of Rocky Mountain is eliminated, there is no question but that Macleod constituency will fit logically into where it is now.

In conclusion I want to say that I find there are not many of my constituents who would shed any tears if this constituency boundaries adjustment act passed by this parliament were thrown into the ash can. I say that I have nothing against the commission. I think they have tried against odds to do what seemed to them on the surface to be a good job. However, I believe there have been some errors in that they failed to take into consideration the views of the people who know most about the area. For example, I think some of the members of parliament might have been called upon to make suggestions. Meetings might have been held before the boundaries were set instead of after the boundaries were set, and various suggestions might have been made. When this measure was going through parliament I thought that was what would be done. However, I was badly mistaken. I was confronted, like everyone else, with a *fait accompli*. The maps were placed before us and we were told: Now, boys, come on and criticize. We appeared before the commission at Calgary and others did so at other points. I may say that we had some very fine briefs presented from Macleod riding. The commission listened to them attentively but for some reason, lo and behold, not one change was made as a result of these people giving evidence. There were about ten briefs presented from Macleod riding. I hope that the commission in reviewing the opinions of hon. members will give consideration to what has been said. I can assure them that if they wish to call upon any of the members who have spoken we shall all, since we are all of one opinion, be glad to provide them with any information or help them in any way we can to do the job and get things set up until the next census.

[*Translation*]

The Acting Speaker (Mr. Rinfret): Order, please. Before recognizing the hon. member for Fraser Valley (Mr. Patterson), I must inform the house of the questions to be raised on the adjournment motion.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

The Acting Speaker (Mr. Rinfret): It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: The hon. member for Gaspé (Mr. Keays): Northern Affairs—Construction of a replica of the *Grande Hermine* for Expo '67; the hon. member for Pictou (Mr. MacEwan): Transport—Pictou Landing, N.S.—The state of the dock; the hon. member for Vancouver-Kingsway (Mrs. MacInnis): The Canadian National— The closing of the Canora service on the Pacific coast.

[*English*]

REDISTRIBUTION

CONSIDERATION OF OBJECTIONS TO COMMISSION REPORTS

Mr. H. A. Olson (Medicine Hat): In speaking briefly in this debate respecting the proposed new boundaries for the province of Alberta I should like to say at the outset that I am satisfied and my political organization is satisfied with the boundaries that have been proposed by the commission. Indeed, Mr. Speaker, we were satisfied with the boundaries as they were before they were revised. I want to say that I availed myself of the opportunity to make representations to the commissioners when they held hearings in Lethbridge in mid-November. During the course of those hearings I asked the commissioners to take into consideration a number of minor adjustments that I thought were reasonable.

• (6:10 p.m.)

For example, there was an area that had been cut off by the South Saskatchewan River from its ties with the city of Medicine Hat. I asked that this be included in the riding of Medicine Hat. There was another small town where the boundary cut through the middle of it, half of the main street being in one riding and the other half in another. There were also a number of others. Every reasonable request that was made at those hearings was acquiesced in by the commission, and this is shown in the revised proposal before us today.

Having said that, I agree in part with what hon. members who have spoken have said with respect to constituency No. 17 known as Rocky Mountain. I believe there is some justification for arguing that this constituency could in fact be parts of three or four constituencies immediately to the east of the area now comprising this riding. But I would caution the commission, if I may, Mr. Speaker, that if they take the necessary action to do away with this constituency they must be careful not to put themselves in the position of setting up another constituency somewhere else in Alberta with the same kind of problems as this one so far as communications and so on are concerned.

While I agree in general with the argument that this would be a difficult constituency for a member to represent and for the people of the area to gather together for conventions to select candidates and so on, I do not accept all of the arguments which have been advanced in this regard. For example, I can see the problem of communications being equally as difficult in constituency No. 1 known as Athabasca or equally as difficult in constituency No. 14, known as Peace River. Therefore I do not think it is fair to argue that because no road runs from north to south throughout the proposed Rocky Mountain constituency this by itself is sufficient reason to suggest that these are the wrong type of electoral boundaries to set up.

I say that for this reason. After all, if we do convince the commissioners that they should put one more seat in Calgary and one more seat in Edmonton, making seven seats inside those two cities, we would still have 12 rural ridings or semi-rural ridings with smaller towns and cities in them. These would have to be readjusted to come within the tolerances laid down by the act.

[Mr. Olson.]

The caution I am now expressing is that we do not set up another constituency somewhere along the eastern boundary of Alberta or in the northern or northwestern part of Alberta with the same kind of problems of communication. I am sure the commission is well aware that these sparsely settled areas along the eastern boundary and in the north and west present the same kind of problems if the constituency is extended far enough to include sufficient people to meet the tolerance required.

There is one other point, Mr. Speaker. Roads and railroads are not the only factors to be considered so far as community of interest is concerned. Such things as the area covered by certain television and radio broadcasts and news media are also matters which are involved in the question of community of interest. For example, the television and radio stations in Calgary cover the Banff area. The same is true with regard to Lethbridge and the Waterton park area. This is a matter which has to be considered with respect to the need for a candidate to be able to communicate with those in his constituency during an election campaign, as would a member of parliament when elected to serve these people.

I think that is all I want to say. I agree that if something can be done to readjust the boundaries in Alberta so as to do away with the constituency of Rocky Mountain and create an additional constituency in the cities this might meet the situation. But I would caution the commission to exercise some care in adjusting the borders of the 12 rural and semi-rural constituencies which will be left so that we do not have any other constituencies in some other part of the province winding up with at least as bad, perhaps even worse, problems of communication in the form of roads, television, radio and newspaper media.

Mr. H. M. Horner (Jasper-Edson): Mr. Speaker, I want briefly to register some complaints from the present constituency of Jasper-Edson concerning the proposed redistribution. I was very sorry to hear the hon. member for Medicine Hat (Mr. Olson) make the remarks he did because no area in the eastern part of the province is comparable with the Rocky Mountain trench so far as communications and transportation are concerned.

I should like to point out that this idea of a Rocky Mountain constituency, which is the key to the redistribution of the seats in Alberta, is the obsession of the chairman of

the commission, who based himself on the premise that all of the national parks should be in one constituency in spite of the fact that the people living in the three national parks make up only 12 per cent of the people in the new riding. In other words, some 57,000 odd will be living in the new riding of Rocky Mountain, only 8,000 of whom live and work in the national parks. So in effect there is discrimination against the other 49,000 people who have been dragged into this tremendously long riding, which is inaccessible within itself, to satisfy the obsession of the chairman of the commission.

He is discriminating primarily against people who are now residing in my constituency and living in major towns in the western section, towns like Hinton, Edson, Whitecourt, Evansburg, Entwistle. The people in these towns will not get proper representation because they will be overshadowed by the dramatic and emotional appeal of the national parks.

I hope that the commission will take into consideration this important fact. It is absurd to set up a constituency based on the community of interest of 12 per cent of its population as is the case here. It would be just absurd to hook up three pulp and paper towns across northern Ontario and say that because these three towns all have pulp and paper industries we will create a constituency stretching around them without any regard for the people living outside the area encompassed by these particular industries.

• (6:20 p.m.)

The commission has taken the constituency of Jasper-Edson and split it into three parts in spite of the fact that at the present time the constituency of Jasper-Edson has well over 70,000 people, which is above the average set for rural constituencies, and also in spite of the fact that the present constituency, being one of the largest in the province of Alberta, still has some community of interest owing to the transportation and communication systems present in the area. Our roads run east and west, not north and south. Our communications run directly from Edmonton to the west and southwest and serve our constituency very well.

There is absolutely no need for the establishment of this new Rocky Mountain trench constituency. It does not serve a good purpose. I hope the commissioners will look seriously at this matter and take a sensible approach to redistribution in the province of Alberta.

In spite of what my hon. friend from Medicine Hat had to say, the creation of Rocky Mountain has upset the constituencies of Peace River and Athabasca and has made the new constituencies of Peace River and Athabasca intolerable in that they do not represent those areas any more. The town of Peace River no longer remains in Peace River; the town of Athabasca no longer remains in Athabasca. I suggest to the commission, as somebody has already suggested before, that they get in theirs cars and drive from Whitecourt in the north down through the mountains, if they can, to Waterton in the south. Rocky Mountain is an absolutely impossible constituency to campaign in and to service. It is impossible to remain in contact with the people in it.

I am convinced that the people who are going to be discriminated against are the people who live in the west end of Jasper-Edson. It is they who have been tacked on to Rocky Mountain to make that constituency big enough to have a large enough population.

I think that the commission will have to look at this seriously because there is discrimination against the majority of the people in this new riding of Rocky Mountain.

Mr. Speaker: The house having considered this objection, it is the Speaker's duty, pursuant to section 20 of the Electoral Boundaries Readjustment Act, to refer the report of the Electoral Boundaries Commission together with a copy of the objection and also a copy of the debates of the house back to the commission for consideration thereof.

The next is British Columbia, being objection No. 13, the text of which is to be found at page 24 of the pamphlet.

On February 16 last notice of objection in the form of a motion was filed with the Speaker in the following terms:

Proposed Electoral District of Coast-Chilcotin:

That, pursuant to Section 20 of the Electoral Boundaries Readjustment Act (Chapter 31, Statutes of Canada 1964-65), consideration be given by this house to the matter of an objection to the provisions of the report of the Electoral Boundaries Commission for the province of British Columbia, laid before this house by Mr. Speaker on Wednesday, January 19, 1966, for the reasons hereinafter specified.

(1) The commission failed to give full and proper attention to the geographic, social, and economic connections which the people of the Queen Charlotte Islands have with the mainland area of the province contiguous to, and including, the city of Prince Rupert.

(2) The commission failed to give full and proper consideration to population growth trends and failed to exercise fully its authority under Section 13 of the Electoral Boundaries Readjustment Act in so far as the relationship of the Queen Charlotte Islands to the mainland area of the province contiguous to and including, the city of Prince Rupert is concerned.

(3) The commission, by seeking to place the Queen Charlotte Islands in Coast-Chilcotin, fails to appreciate that this would demarcate and divorce the Queen Charlotte Islands from the mainland area of Coast-Chilcotin for the reasons that the Queen Charlotte Islands have no direct geographic, social, or economic ties or compatibilities with the other parts of Coast-Chilcotin.

Mr. Frank Howard (Skeena): Mr. Speaker, I will be just a few moments on this particular motion because I want to deal only with one part of the proposed constituency of Coast-Chilcotin. I should like to say from the outset that in the first place we agree with the principle of redistributing constituencies by way of the commission process and on a non-political basis. I also want to say at the outset that, first I did not bother and, second, I do not particularly care about the political affiliations, if any, of the members of the Electoral Boundaries Commission for British Columbia.

My concern is with a group of islands called the Queen Charlotte Islands. It is proposed that these islands be removed from the present constituency of Skeena and placed within the proposed constituency of Coast-Chilcotin. The basis of my argument that they should be retained within the riding of Skeena is that the geographic, social and economic ties, connections and compatibilities of the people in the Queen Charlotte Islands are primarily with the coastal area in and surrounding the city of Prince Rupert. Prince Rupert is within the constituency now and it is proposed that it remain so.

The people in the two areas have common problems. They have common relationships through organizations such as chambers of commerce and trade unions with people in the coastal area around Prince Rupert. There are no ties whatever between the Queen Charlotte Islands and the proposed constituency of Coast-Chilcotin. There is no air carrier or air route between the two. There are no common ship or boat connections. There are no radio or television services common to the two areas. There are no papers that are common. In fact, there are none of the things in common which go to establish compatibility between areas. I say that with respect to the Queen Charlotte Islands and the proposed constituency of Coast-Chilcotin.

[Mr. Speaker.]

I took the course of advising the people on the Queen Charlotte Islands of the proposal when it was tabled in the house, and I received in response hundreds of signatures on petitions and forms objecting to the proposal. I have those petitions and forms here. As I understand it, under the law it is not possible to transmit these in a material way to the commission. Therefore I want to place this information on record. There is virtual unanimity of objection by the people of the Queen Charlotte Islands to the proposal that those islands be included in the proposed constituency of Coast-Chilcotin.

Because there is a lack of economic, social or geographic connections it automatically follows—I consider this to be a minor detail but none the less important—that we should look at the difficulties which might confront political organizations, candidates and elected members in getting around the constituency and servicing it after elections. I repeat that there is not the compatability in the geographic, social and economic senses between the Queen Charlotte Islands and the other portions of Coast-Chilcotin which I submit there ought to be. It would be extremely difficult for political organizations, candidates and elected members to be able to service the area proposed properly. That is a minor but none the less important consideration which the commission ought to take into account.

• (6:30 p.m.)

Of course, by law we are not solely concerned with matters of geography and the like but have to look at the population as well. I have done this and I want to place on the record statistical information about the proposed constituencies and the areas within them in order to lead up to an alternative suggestion with respect to the proposed constituency of Coast-Chilcotin. Within the bounds of the law the maximum population permissible in a constituency in British Columbia is 88,538. The minimum population permissible is 53,123. The proposed riding of Coast-Chilcotin would contain a population, based on the last census, of 55,011. Skeena will contain a population of 55,770. With the removal of the Queen Charlotte Islands from the proposed constituency of Coast-Chilcotin we would encounter a shortage in population because as of the last census, I am informed, there was a population of 3,014 on the Queen Charlotte Islands. Subtracting this figure from a population of 55,011 which will be within Coast-Chilcotin we reach a figure of 51,997 which is 1,126 short of the minimum of

53,123. This means we must look at some other area to make up the population figure to come within the prescription of the law.

In this regard I think we should look at the Cariboo area because part of Coast-Chilcotin takes in a section of the Cariboo comprising Williams Lake and an area surrounding it. Williams Lake, it can be argued, is likewise somewhat divorced from other parts of Coast-Chilcotin but I submit it is not so divorced as are the Queen Charlotte Islands because there is at least a road of sorts between Williams Lake and the coastal area of Bella Coola which it is proposed to take from Skeena and put into Coast-Chilcotin. I have no argument about that. On the face of it it makes geographical, economic, social and common sense.

As I say, there is a road connection between Williams Lake and the coastal part of Coast-Chilcotin. There is also between Williams Lake and points south from there in the Littlewood area and they have a certain compatibility, similar interests, the same general economy and social relationship. I suggest that the commission, when it decides to agree with the proposal I am now making and put the Queen Charlotte Islands back into Skeena as is the desire of almost all the people on the islands, should look to another community in the Cariboo area, namely, 100 Mile House and the area comprised, as I understand it, by the census district or subdistrict which takes in 100 Mile House and also the community of Exeter, a station on the railway. I am told that the population of this particular district is 1,320. This, if added to the figure of 51,997 which we get after subtracting the population of the Queen Charlotte Islands, would leave Coast-Chilcotin with a population of 53,317, above the minimum required by law and within the bounds prescribed by the Electoral Boundaries Readjustment Act.

Adding a population of 3,014 from the Queen Charlotte Islands to Skeena as proposed would bring the population of Skeena to 58,784, within the bounds prescribed by law. 100 Mile House is currently placed in the constituency of Kamloops-Cariboo according to these proposals. If it were removed from there and placed within the proposed Coast-Chilcotin constituency, Kamloops-Cariboo would be left with a population of 62,581, likewise well within the bounds permitted by law. I submit this is the course the commission should take.

Let me sum up the reasons I advance in support of this contention. First, there are no geographical, cultural, social or economic ties, compatibilities or connections between the Queen Charlotte Islands and any other area in the proposed constituency of Coast-Chilcotin. In the second place, there are certain geographical, social and economic interests and compatibilities in common between 100 Mile House and certain other areas within the proposed constituency of Coast-Chilcotin.

I would also ask the commission to look at the position of an isolated Indian village called Klemtu. I do not have the exact population figure for Klemtu but it is relatively small. If, having done what I suggest they should do with respect to the Queen Charlotte Islands and 100 Mile House, the commission finds it has come within the population figures prescribed by law, I would appreciate it if they would consider the position of Klemtu and see whether this Indian village could be taken out of the proposed riding of Coast-Chilcotin and placed in the constituency of Skeena with the line of demarcation drawn between Coast Chilcotin and Skeena not particularly at the 53rd parallel of latitude but in such a way that it crosses the centre of Millbank Sound. Millbank Sound is a stretch of water open to Hecate Strait and Queen Charlotte Sound and it forms a natural division of the areas to the north and to the south. Klemtu is to the north and would, I think, feel more at home within the constituency of Skeena than within the constituency of Coast-Chilcotin because of Millbank Sound coming between the two areas.

I leave the commission to ponder these words and I ask it sincerely to consider these representations, not my representations particularly because in this instance I am only the voice of those people on the islands who almost unanimously have objected to the proposal as it stands.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, as one of the members who signed the motion presented by the hon. member for Skeena (Mr. Howard) perhaps I might be permitted to add a few words to what he has said. The proposed Coast-Chilcotin constituency does take in a substantial area of the region which at the present time lies within the boundaries of Comox-Alberni. I am not objecting to the proposal that this particular change should be made. Like the hon. member for Skeena, I feel that the principle

established by the act is a sound one and my own view is that the commission in British Columbia had a difficult task to perform because of the geography of our province. Indeed, I feel that one of its most difficult tasks was the development of a constituency, within the tolerances set out by law, in the area embraced by the proposed Coast-Chilcotin constituency.

• (6:40 p.m.)

From the point of view of some future member trying to serve this constituency even with the changes proposed by the hon. member for Skeena, it certainly will be one of the most difficult ridings in Canada to serve. One of the factors involved now is that between the eastern portions of it, the ranching country surrounding Williams Lake and westward into the Chilcotin and the coastal areas, lies the quite formidable mountain barrier of the British Columbia coast range including a large section of some of the highest and most precipitous mountains in British Columbia.

I would suggest, Mr. Speaker, that even without the inclusion of the Queen Charlotte Islands this constituency will be a difficult one for any member to represent. I should like to say simply that I believe the hon. member for Skeena has put forward some quite sound grounds for the changes he has suggested, and I believe they are put forward without any sort of prejudice. I feel sure he has spoken correctly when he has indicated the views held by the residents of the islands who are of course in a rather peculiar position of geographic isolation. I believe that if the redistribution commission in British Columbia will take a further look at the problem in connection with this constituency they can improve upon the work they have done up until this point.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, it became known to members of the various parties in British Columbia that individual members from all parties had certain objections they would like to raise in respect of this act. However, it was agreed between members from British Columbia that they would file one objection worded in such a manner that any individual member could use the over-all objection as a basis for argument with regard to his own area. Unfortunately, because of the change in the schedule announced a day previously when we had understood that British Columbia members would be heard on Monday, we learned today that we would be heard today. The hon. member for Kamloops (Mr. Fulton) was to have spoken with regard to the interior of British Columbia. I believe the arguments he would wish to advance would coincide, for instance, with the ideas of the members for Kootenay East (Mr. Byrne) and Kootenay West (Mr. Herridge). Unfortunately we were not able to get in touch with the hon. member for Kamloops.

Mr. Speaker: Order, please. I wonder whether the hon. member for Esquimalt-Saanich is now addressing himself to objection No. 13 filed by the hon. member for Skeena, or whether he is at this time referring to the more general objection. If he is not addressing himself to the specific objection to which I referred previously and which we have been discussing, I would point out that this one should be disposed of first.

Mr. Chatterton: I was addressing myself to the general objection.

Mr. Speaker: In that case, as we have done in respect of the others we will make a note that the house has considered this objection.

Mr. Howard: Mr. Speaker, I rise on a point of order. If I understood the hon. member for Esquimalt-Saanich correctly, he said there had been an agreement among the members from British Columbia that they would file only one motion and that all objections or arguments could be made under that one motion. I should like to point out that this statement is incorrect. There had been some preliminary discussion in an effort to see whether or not we could develop one motion which would be acceptable to all members from British Columbia but that objective did not come to fruition.

Mr. Chatterton: I stand corrected, Mr. Speaker.

Mr. Speaker: In any event, we now have disposed of objection No. 13. The house having considered objection No. 13, pursuant to section 20 of the Electoral Boundaries Readjustment Act, it is the Speaker's duty to refer the report of the Boundaries Commission together with a copy of the objection and also a copy of the debates of the house back to the commission for consideration thereof.

We will now proceed with consideration of objection No. 16, the text of which is to be found at pages 27 to 29 of the pamphlet which has been distributed to members.

Proposed Electoral Districts of the Province of British Columbia:

Resolved that, pursuant to Section 20 of the Electoral Boundaries Readjustment Act (Chapter 31, Statutes of Canada 1964-65) consideration be given by this house to the matter of certain objections to the following provisions of the report of the Electoral Boundaries Commission for the province of British Columbia, laid before the house by Mr. Speaker on Wednesday, January 19th, 1966, and to the reasons appearing in the said objections, hereinafter set forth.

The objections to the provisions of the report are as follows:

1. Throughout British Columbia the commission failed to give due regard to special geographic considerations, including the sparsity and density of population of various regions of the province, when they set the boundaries in dividing the province into twenty-three (23) new electoral districts.

2. The commission failed to give proper appreciation and consideration to the accessibility of one region to another region and to the size and shape thereof, in several of the rural electoral districts, when determining the boundaries of the same.

3. The commission failed to take into account, and erred in holding that it could not take into account, population trends as established since the census of 1961; such trends should have been taken into account by virtue of section 13 (c) (i) of the Act, and would have resulted in substantial variations from the boundaries laid down in the Commission's report.

4. The commission failed to give due effect, and erred in not giving due effect, to special community of diversity of interests of the inhabitants of various regions of the province as set forth in section 13 (c) (ii) of the said Act, with the result that areas with a community of interests with each other have been separated as a result of the commissioner's report, and areas formerly included in constituencies or with areas with which they had a community of interests are included in constituencies or with areas with which they have no community of interest.

5. The commission failed, in addition, to give or pay proper attention to the principle of practical feasibility of a representative keeping in physical contact with his constituents and the constituent's ability to make physical contacts with their representative, thereby rendering adequate representation of the people in parliament a virtually impossible task.

6. Examples of the results of the foregoing and of the effects of the report to which particular objection is taken are the following:

(a) The exclusion of the Williams Lake and adjacent area from the interior riding of Kamloops, with which it has a complete community of interest, and its inclusion with a coastal area in a new riding, including the Queen Charlotte Islands, the inland and coastal areas of the new riding having virtually no interests in common, contrary to the expressed wish of the community of Williams Lake.

(b) The virtual merging of the former riding of Okanagan-Revelstoke with the former riding of Kootenay East, with the result that the communities of Vernon and of Fernie are included in one riding, creating an area not only without community of interest, but quite impossible physically to serve properly.

(c) The exclusion of the Merritt-Nicola area from the Kamloops riding, with which it has a historic and complete community of interests, contrary to the expressed wish of the community of Merritt.

(d) The exclusion of Quesnel from the former Cariboo riding and its severance from Prince George, with which it has a community of interests and commerce, and its inclusion with Kamloops, with which it has minimal interests and commerce in common, contrary to the expressed wish of the community of Quesnel.

(e) The exclusion of the Queen Charlotte Islands from the coastal riding of Skeena, with which they have a community of interests, and their inclusion in a new riding containing Williams Lake and a vast interior ranching and dry belt area, with which they have nothing in common.

(f) The creation of a situation whereby the Williams Lake area is excluded from the Kamloops-Cariboo riding, while Quesnel is added in on the north, although it is impossible for the member for the riding to get from the southern area of the constituency to Quesnel in any practical sense without going through about seventy miles of the Williams Lake area, in the new riding of Coast-Chilcotin.

(g) The concomitant situation whereby the member for Coast-Chilcotin, in order to get from the coastal areas of his riding (which themselves extend over some 480 miles) to the Williams Lake and interior area, will, in practice, have to drive or fly another 250 miles from the coast, through three other constituencies, including the Kamloops riding, to get from the one part to the other of his riding.

(h) With respect to distances, it is essential not only that it be practically possible for members to cover their constituencies, it is also a principle to be followed that constituents should be able physically to gain access to the member to discuss business with him. In three constituencies newly-created, the constituent who wishes to go to do business with his M.P., from Powell River to Williams Lake, from Fernie to Vernon, or from Quesnel to Kamloops—or vice versa—will face a return journey in the order of 820 miles, 800 miles, and 540 miles respectively. In other words, given any time at all for the transaction of business itself, a visit to their M.P. for these constituents would involve a two- or three-day undertaking.

(i) The failure of the commission to take into account the relative rate of growth of the areas of Vancouver ordinarily called the West End and Kitsilano since the 1961 census, resulting in the new riding of Vancouver Centre having a presently estimated population well in excess of the applicable limit.

(j) The commission failed to give due effect and weight to the representations made and, in particular, failed to give effect to the quite reasonable representations that if large areas of the former ridings of Vancouver Centre and Vancouver-Burrard were to be combined into a new riding, that the new riding be called Vancouver-Granville.

(k) The subtraction of the municipality of Esquimalt from the Victoria riding separates two areas which have many years of close historical association, as well as a remarkable community of interests. The trend of population growths in B.C. is such that at the next Redistribution there is every likelihood the boundaries will be broadened again and, for the foregoing reasons, the municipality of Esquimalt is the logical area to then be restored once more to the Victoria riding. It would appear to be advantageous from all points of view to leave the municipality of Esquimalt in the Victoria riding as at present, particularly since the population of the total area is within the limits allowed to the commission as was the expressed wish of the reeve and the council of the municipality of Esquimalt.

7. Application of the principles heretofore referred to, and avoidance of the anomalies and inequities herein listed, would have the result that the two proposed ridings of Coast-Chilcotin and Okanagan-Kootenay could not be brought into existence as presently recommended. They should be eliminated from proposals for new ridings in British Columbia and a new set of riding boundaries for B.C. drawn accordingly.

For the foregoing and such other objections and reasons as the undersigned members may deem necessary to carry out the spirit, terms and conditions of the said Act, it is considered essential that the said report be referred back to the commission, pursuant to the said act, together with this statethe said report be referred back to the commission, may revise its report to meet the said objections and draw new riding boundaries along the lines referred to in paragraphs 6 and 7 above.

Mr. Chatterton: In view of what the hon. member has just said, Mr. Speaker, I stand corrected. I was under the impression there was only one objection. In any event the general objection, No. 16, was signed by members of all parties from British Columbia and it was agreed among those members who signed it that the hon. member for Kamloops (Mr. Fulton) would speak with regard to the interior. We were not able to get in touch with the hon. member for Kamloops today and I would ask, therefore, that the presentation of the hon. member for Kamloops stand until tomorrow. After I have made my short presentation I understand the members from Ontario are ready to proceed with their presentations.

Mr. Speaker: My understanding of the suggestion made is that we might hear any hon. members who have a contribution to make at the moment on objection No. 16, stand it thereafter, and then initiate the discussion in respect of Ontario. Is that what the hon. member would like to do?

Mr. Starr: Mr. Speaker, if I may interject, it was our intention at least to proceed on this basis, but in view of what has been said by the hon. member may I suggest, if it is agreeable to the house, that we now proceed with Ontario so that we can complete each one and so that there will not be anything left over for further debate?

Mr. Speaker: I would think it would make for a more orderly discussion if we just stand objection No. 16 rather than begin a discussion on it. If it is the unanimous wish of the House, objection No. 16 will stand.

Mr. Bell (Carleton): As an accommodation to the members from British Columbia I am sure those from Ontario would be glad to do so.

Mr. Chatterton: Do I understand that it will stand until tomorrow?

Mr. Speaker: It will stand until this one is completed. I cannot say whether it will be tomorrow, Monday or later. My understanding is there will be agreement between the house leaders in respect of when this particular objection will be called again.

We will now proceed with consideration of Objection No. 7, the text of which may be found at page 8 of the pamphlet.

Proposed Electoral Districts of the Province of Ontario:

That, pursuant to Section 20 of the Electoral Boundaries Readjustment Act, being chapter 31 of the Statutes of Canada 1964-65, and for the reasons hereinafter specified, consideration be given by this house to the matter of objections to the provisions of the report of the Electoral Boundaries Commission for the province of Ontario, laid before the house by Mr. Speaker, on Wednesday, the 19th day of January, 1966.

The provisions of the report applying generally throughout the province of Ontario are objected to on the ground that they do not conform, in respect of many electoral districts, with the provisions of the Electoral Boundaries Readjustment Act, and the reasons for such objections are as follows:—

1. Throughout the province of Ontario, in proposing new boundaries for electoral districts, the commission has almost completely ignored provincial and municipal electoral boundaries, social and economic ties, patterns of trade and communication, local and regional affinities as well as tradition.

2. The commission has proposed establishment of electoral districts having no physical, social or economic cohesion, and no unity or community of interest, thereby rendering the adequate representation of the people in parliament a virtually impossible task.

3. The commission has ignored the rules specified in Section 13(c) of giving attention to special geographic considerations including the sparsity, density or relative rate of growth of population of various regions of the province, the accessibility of such regions or the size or shape thereof.

4. The commission has ignored serious and thoughtful representations made to it by municipal

councils, community associations, political representatives and many other persons having special knowledge.

While general objection is taken to the provisions of the report for the foregoing reasons, additional particular individual objections are specified in letters addressed by members of the House of Common representing electoral districts in the province of Ontario to the Speaker of the House of Commons, which letters are annexed hereto as appendix "A" and incorporated herein.

Further detailed and specific proposals for the alteration or amendment of the report of the commission will be made by members of the House of Commons representing electoral districts in Ontario during debate in the House of Commons upon this motion, in order that the spirit, intent and purpose of the Electoral Boundaries Adjustment Act may be carried out equitably and adequately.

• (6:50 p.m.)

Hon. R. A. Bell (Carleton): Mr. Speaker, a fair and equitable redistribution of Ontario ridings is now a task of immense magnitude, and it has been greatly intensified by the long delay since the 1961 census. To say that I am disappointed with the report now under consideration of the Electoral Boundaries Commission for Ontario would be to put it mildly. However, early in my professional career I learned that counsel achieves nothing by telling home truths to the judge. So today, with the greatest of difficulty, I resist the temptation of expressing, with the conviction which I feel, the basic home truths about those whom the parliament has made judge and jury, court of appeal and court of last resort.

One of the problems, sir, of debating redistribution is that it gives the appearance of being self-serving. I do not agree that such is the case at all. I assert that politicians in this chamber can be as objective, as impartial and as independent as any outside tribunal. Certainly my attempt tonight will be to avoid the slightest semblance of partisanship or any political self-serving and to approach the issues objectively and impartially.

Indeed, sir, I believe that if this house were to establish a subcommittee now with His Honour, the Speaker, in his capacity as the member for Stormont, in the chair, and to include the Minister of Public Works (Mr. McIlraith), the Minister of Agriculture (Mr. Greene), the hon. lady for Grenville-Dundas (Mrs. Wadds) and myself, we could finish redistribution of eastern Ontario ridings before midnight tonight and it would be with the unanimous approval of this house and the public and would establish the eastern Ontario ridings on a basis much fairer and more equitable to the electorate—to the electorate, and I want to emphasize that—than the division proposed by the commission.

That may only indicate the extent of my personal disillusionment with the so-called independence and impartiality of the commission when the commission so obviously lacks knowledge of the geography and social and economic life of the province. If the carving up of Ontario ridings as suggested by the commission had ever been attempted by politicians under the old system a howl of gerrymandering would have gone up from coast to coast, the like of which has never been heard.

Most of my life has been spent in political organization which has taken me into every area of the province. There are few villages and townships that I have not visited and I believe I know Ontario, its geography, its economy and its social and community life. It is on the basis of a lifetime experience that I want to make submissions to the commission, with great respect to their integrity but, I say, with equal firmness.

The basic and only purpose of redistribution, Mr. Speaker, is to achieve a genuinely representative House of Commons, to permit the election of men and women to parliament who represent not merely geographic units but represent the cultural, economic and social interests of the people.

Mere arithmetical accuracy and dead mathematical uniformity does not represent a proper redistribution. Nor does it enable the people to be properly represented in this chamber. The mere drawing of lines upon a map whenever a standard number of people can be contained therein is not redistribution but is a cartographer's nightmare.

In my respectful submission, the Ontario commission made its first mistake in not accepting and using sufficiently the latitude allowed by parliament. It has attempted in the first commission redistribution too great a mathematical uniformity in the province of Ontario without using sufficiently the 25 per cent efficiency formula.

My present electoral district of Carleton is, I believe, the most populous combined rural-urban riding in all of Canada, and from my own experience I can state that an urban member of parliament can service his riding with much greater ease than a rural member. Exact numerical equality is not a genuine representation but in fact discrimination against rural areas which are thereby actually under-represented.

May I state to you, sir, certain principles which I submit should be applied by the commission. The first is that the alteration of electoral boundaries from one redistribution to the next should be kept at an absolute minimum. People are creatures of political and other habits, and violent upsets in electoral boundaries should be avoided where possible. Therefore, relative permanence is a proper objective and the division should be on the basis of enabling the electoral districts to accommodate expanding population with a minimum of future alteration of boundaries.

Especially is this imperative if we are to maintain proper political organizations. Regrettably no member of the Ontario Electoral Boundaries Commission ever had any experience in political organization and, with respect, I venture to submit that it has ignored this important fact. This is particularly evident because of the wide departures from provincial boundaries. From Confederation until the present it has been possible in many areas of Ontario to maintain common federal and provincial political organizations, and it will be found that in those areas political interest has been highest.

Under the proposals as they are before us a complete separation of federal and provincial organizations will be necessary, and to this there are likely to be many unsatisfactory by-products—by-products which may not contribute to our unity as a single nation. In my submission this was totally unnecessary under a proper redistribution, and the old tradition might have been maintained.

Stability of political organization is a factor which must not be overlooked if we are to preserve our parliamentary democracy. A parliamentary committee of persons who are experienced in politics and understand the nature of elections would never have permitted this to happen.

Then, Mr. Speaker, I venture to suggest that homogeneity of the ridings, culturally, socially and economically, is a vital factor in electing a genuinely representative House of Commons. The late Mackenzie King expressed this at one time as the need for "compactness".

In speaking on the second reading of the redistribution bill of 1932 this is what Mr. Mackenzie King said on November 25, 1932, as it appears in *Hansard* at page 1591:

> There is an additional guiding principle that, so far as reasonably can be arranged, there should be an effort at compactness in the shaping of constituencies. That permits of an expression of opinion from a community that is familiar with its own affairs, and in that way helps to give a more accurate representation of the views of the people.

• (7:00 p.m.)

In my submission it is absolutely essential to give priority to community of interest and to balancing of population centres within the geographic unit if redistribution is to be at all fair and equitable to the electorate. Let me illustrate this by a local example. Twelve miles west of these parliament buildings are two new residential communities, slightly over a mile apart, named Kanata and Glencairn. The new Queensway to be constructed next year will make it possible to drive to either of them from these parliament buildings within 15 minutes. Both are exclusively dormitory communities—satellite towns, if you will—of this national capital, with all their ties, economic, social and cultural, here with Ottawa. By 1970 the promoters of Kanata claim it will have a population of 10,000 and Glencairn is expected to reach nearly half that figure. Yet under the proposed redistribution Kanata is to be linked with the towns of Renfrew and Perth, with which it has not the slightest affinity, whereas Glencairn, a completely similar community a mile away, is to be linked with Prescott, Cardinal and Iroquois, with which town and villages it has no association whatever. This illustrates why the members for Ontario signed the notice of objection and set forth the first reason as follows:

> 1. Throughout the province of Ontario, in proposing new boundaries for electoral districts, the commission has almost completely ignored provincial and municipal electoral boundaries, social and economic ties, patterns of trade and communication, local and regional affinities as well as tradition.

Sir, I do urge the members of the Electoral Boundaries Commission earnestly to re-examine their work in the light of that objection. Without hesitation I say that the provincial redistribution, made by the same three commissioners, is much fairer, much more equitable, much more balanced.

In eastern Ontario at least, in the provincial redistribution the commission did take into account social, cultural and economic ties, patterns of trade and communication, local and regional affinities; but in the federal redistribution they have cut right across these factors.

Using the proposed electoral district of Carleton as an illustration, I say that any knowledgeable person realizes that the patterns and ties of the St. Lawrence towns and villages are east and west, with virtually no

pull toward the Ottawa river. I have met no elector of Carleton or Grenville-Dundas who does not object to this proposed riding of Grenville-Carleton, and I think they object on sound grounds.

The second objection advanced by the members from Ontario is this:

2. The commission has proposed establishment of electoral districts having no physical, social or economic cohesion, and no unity or community of interest, thereby rendering the adequate representation of the people in parliament a virtually impossible task.

The chopping, the slicing done by the commission creates very many ridings in Ontario without cohesion, without the compactness of which Mr. Mackenzie King spoke, and thereby intensifies very greatly the problem of balanced representation by any member of parliament. Just as an illustration, the present Carleton has been sliced into five new electoral districts without any regard to the interests of the voters in the five sectors.

The third objection reads as follows:

3. The commission has ignored the rules specified in section 13 (c) of giving attention to special geographic considerations including the sparsity, density or relative rate of growth of population of various regions of the province, the accessibility of such regions or the size or shape thereof.

With great respect, I submit the Ontario Electoral Boundaries Commission went completely wrong in its interpretation of section 13 (c). According to the Representation Commissioner, the commission did not examine—and I believe he asserts it was not entitled to examine—actual population growth since the census of June, 1961.

I specifically ask the commission to reconsider its position in this respect. In my view and in the opinion of a considerable number of lawyers to whom I have spoken, the commission has made a grotesque misinterpretation of the amendment made in committee of the whole on November 13, 1964. The whole purpose of the amendment was to prevent before 1971 the fantastic disparities which occurred between 1951 and 1961. The author of the amendment, Mr. Moreau, who was then the member for York-Scarborough, made it clear that he wanted to deal with factual situations subsequent to the census. The sense of the house and the true purport of the amendment, I submit, was expressed by the hon. member for Calgary North (Mr. Harkness) who with his usual clarity said at page 10059 of *Hansard* of November 13, 1964:

I am glad to see this amendment introduced. When I spoke on this bill some months ago in the earlier stage of its consideration I expressed the view that some account should be taken of population growth, that is the growth which had actually taken place since the census on which the redistribution was based.

Mr. Speaker, I pause to repeat those words, "which had actually taken place since the census on which the redistribution was based." The hon. member for Calgary North went on:

There is no doubt in my mind that the absence of such a consideration at the time of the last redistribution in 1952 is one of the main reasons we have such an inequitable position at the present time as far as the suburban areas of our cities are concerned.

It is true that the hon. gentleman from Winnipeg North Centre (Mr. Knowles) made some equivocal comments on the amendment, but even his comments speak only of the use of "official figures" and clearly such official figures are obtainable from the assessment rolls of each municipality.

My submission is that the normal and natural meaning of the amendment to section 13 (c) is as the hon. member for Calgary North stated it. What astounded me is that the two members of the commission—and only two were present for the hearing—who sat in Ottawa allowed me to make a complete submission based upon this interpretation of the section without ever once raising the question that they were proceeding here in Ontario, and elsewhere in Canada, on a wholly different interpretation. Apparently, for some extraordinary reason it was a practice of the commission in Ontario not to ask questions for fear of embarrassing those persons who were making submissions. I have lived a good part of my life in the courts, before administrative tribunals, on the public platform and in this house, and I do not embarrass easily by being asked questions.

It was bad enough to have the hon. member for Renfrew South, the present Minister of Agriculture (Mr. Greene) and myself make presentations to a commission without any questions at all being asked of us and with only two of the four members of the commission present. Any other administrative tribunal before which I have ever appeared before would have adjourned in order to hear as a full commission serious submissions made by people like the hon. member for Renfrew South; and I hope I can be considered in the same category as a serious person. This was bad enough. But thereafter to be told that you had made your argument on a totally wrong premise, without its being presented to

you, I say is worse. I am specifically asking each of the members of that commission to examine his conscience and to deal specifically with the objection on this basis.

Let me illustrate the problem by showing, from population figures taken from the municipal assessment rolls of 1964, the significant changes in four eastern Ontario ridings as proposed, Renfrew-Lanark, Leeds, Stormont-Dundas and Grenville-Carleton. Mr. Speaker, if I may have the unanimous consent of the house I would ask to have placed upon the record a very brief table in this respect.

The Acting Speaker (Mr. Rinfret): Does the house give unanimous consent to the hon. member to have printed in *Hansard* the table to which he has referred?

Some hon. Members: Agreed.

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

Total and Percentage Changes from 1961 Census to 1964 Estimate in Population of Ridings as Proposed by Electoral Boundaries Commission

	1961	1964	Net Change	Percentage Change
Renfrew-Lanark	55,418	55,671	+ 253	+ 0.46%
Leeds	62,656	60,587	— 2,069	— 3.3 %
Stormont-Dundas	68,233	67,980	— 253	— 0.37%
Grenville-Carleton	63,715	79,694	+15,979	+25.08%

Mr. Bell (Carleton): As will be seen from this table, the proposed riding of Grenville-Carleton increased in population by 25 per cent in just three years, whereas the neighbouring ridings remained virtually stationary. I think it is a matter of common knowledge that since the year 1964, for which I have given figures, there has been little or no change in the populations of Renfrew, Lanark, Leeds or Stormont-Dundas.

• (7:10 p.m.)

On the other hand, there has been an explosive growth in Grenville-Carleton, particularly in the township of Nepean, as the Minister of Public Works (Mr. McIlraith) very well knows. The best estimate I can make at this time is that the population of Grenville-Carleton as proposed by the commission, as of this date in April, 1966, is 88,000 people, or already in excess of the allowable deviation of 25 per cent from quotient. I put it to the commission in this way: Is it sensible at this time to establish a new electoral district in an area already too populous according to the law passed by parliament?

[Mr. Bell (Carleton).]

At the present rate of growth, as projected to June, 1967, the next census, it is likely that Grenville-Carleton as proposed by the commission would have a population of at least 120,000. Perhaps it may even reach double the quotient. On the other hand, the neighbouring ridings are likely to remain reasonably stable. Of the Grenville-Carleton population, over 60 per cent would be in one suburban township, Nepean, lying immediately south and west of this city of Ottawa. I urge the commission to look at the facts of life and re-examine the boundaries on the basis of the actual figures of September, 1965, which they may take from the assessment rolls which can now be secured by them.

Now, sir, the final general objection to the Ontario report reads as follows:

> 4. The commission has ignored serious and thoughtful representations made to it by municipal councils, community associations, political representatives and many other persons having special knowledge.

I ask the commission in Ontario to take this very seriously, and to examine, re-assess, and re-appraise these thoughtful representations. I want to say to the commission just exactly what I would say if I were standing face to face with Mr. Justice Richardson and his colleagues. I have never heard so many complaints about the attitude of a public tribunal as I have about the manner in which they conducted their hearings.

Mr. Winkler: Agreed.

Mr. Bell (Carleton): I am glad to hear that the hon. member for Grey-Bruce (Mr. Winkler) agrees with me. I can truthfully say that each and every day we talk to our colleagues in the house, these complaints are heard from every part of Ontario. I do believe that they have some validity. The commission should seek now, at this late stage, to remove the feelings that they have been arrogant and arbitrary, that they have ignored many of the representations.

I ask the commission to take a very hard look at the brief submitted by Mr. George Inrig, a very highly qualified person whose qualities are not depreciated, at least in my view, by the fact he is the partner of Hon. Leslie M. Frost, a man who probably knows more about Ontario than any other living person. If the members of the commission want to have some appraisal of what they have done, want to have their ears

burned, perhaps they should have a little conversation with Hon. Leslie M. Frost.

I mention one further general factor, sir, the difficulty a member of parliament may experience in giving adequate representation to non-cohesive geographical units. As an illustration, I may say the present Minister of Agriculture (Mr. Greene) has only one county council with which to deal. The next member for Renfrew North will have to deal with three county councils. The present member for Carleton has only one municipal council with which to deal, but the next member for the proposed Grenville-Carleton will have three. This is the way it goes across the province. The already considerable problems of giving adequate representation to one's constituents will be greatly intensified. Perhaps one should look forward to the delights of three wardens' banquets instead of only one. I say, too, that the problems of political organization and election financing have been greatly increased. In my submission, they need not have been.

I am fully aware, sir, of the chain reaction of any amendments that may be made at this time to the commission proposals. It was for this reason I outlined in detail, as will be seen on page 12 of the notice of objections for Ontario, the precise changes which should be made in the existing electoral districts of Carleton, Grenville-Dundas, Renfrew South, Lanark and Stormont. I should like now to put those proposals specifically upon the record:

1. The boundaries of the proposed electoral district of Lanark and Renfrew should be changed as follows:

(a) Eliminate therefrom the townships of Fitzroy, Torbolton, Huntley and March.

(b) Add thereto the town of Smiths Falls and the township of Montague.

2. The boundaries of the proposed electoral district of Leeds should be changed as follows:

(a) Eliminate therefrom the town of Smiths Falls and the township of Montague.

(b) Add thereto the town of Prescott, the village of Cardinal and the townships of Augusta and Edwardsburgh.

3. The name of the last mentioned electoral district should be changed to Leeds and Grenville.

4. The boundaries of the proposed electoral district of Stormont-Dundas should be changed as follows:

(a) Eliminate therefrom the villages of Winchester and Chesterville and the township of Winchester.

(b) Add thereto the village of Iroquois and the township of Matilda.

5. The boundaries of the proposed electoral district of Grenville-Carleton should be changed as follows:

(a) Eliminate therefrom the town of Prescott, the villages of Iroquois and Cardinal and the townships of Augusta, Edwardsburgh and Matilda.

(b) Add thereto the villages of Winchester and Chesterville and the townships of Fitzroy, Torbolton, Huntley, March and Winchester.

6. The name of the last mentioned electoral district should be changed to Carleton-Grenville-Dundas.

7. A much more detailed survey of Ottawa area electoral districts should be undertaken by the commission in order to achieve new boundaries which genuinely represent the policy of the Electoral Boundaries Adjustment Act which assuredly the proposed boundaries do not do.

I want to emphasize, having read that, that if I had to start the eastern Ontario redistribution *de novo*, this would not be what I would propose. The boundaries that are proposed in this document simply represent a change to make something sensible out of the commission's present proposals without upsetting those proposals over-all. I am aware of, and I sympathize with the views of the people of Dundas county who resent the county being split. If I had my way neither Grenville, Dundas nor Carleton counties would be split in the manner in which they are. Those proposals I have outlined are an attempt to create ridings which do have cohesion, as well as cultural and social affinities, where the boundaries follow trade and economic patterns, and where effect is given to the relative growth in population. The commission already has the detailed population breakdown supplied to it by me for each of the ridings, and comparing the 1961 census with 1964 estimates made by municipal assessors. They can now easily bring this up to date by using the September, 1965, population estimates made by municipal assessors.

At this point, sir, I would ask permission to place on *Hansard* a table which summarizes precisely the results of these proposals.

Mr. Deputy Speaker: Is it agreed that these tables be placed on *Hansard*?

Some hon. Members: Agreed.

Redistribution

[*Editor's note: The tables referred to above are as follows:*]

Summary of Population Figures under Revision Proposed by R. A. Bell—1961 Census and 1964 Estimate

	1961 Census	1964 Estimate
Renfrew-Lanark		
Commission Proposal	55,418	55,671
—Fitzroy, Torbolton, Huntley, March	5,731	5,740
	49,687	49,931
+Smiths Falls and Montague	14,257	11,887
R. A. Bell Proposal:	63,944	61,818
Leeds		
Commission Proposal	62,656	59,033
—Smiths Falls and Montague	14,257	11,887
	48,399	47,146
+Augusta, Prescott	10,281	10,288
	58,680	57,434
+Edwardsburg, Cardinal	5,590	5,611
R. A. Bell Proposal:	64,270	63,045
Stormont-Dundas		
Commission Proposal	68,233	67,980
—Winchester Township, Winchester Village, Chesterville	5,546	5,673
	62,687	62,307
+Matilda and Iroquois	4,253	4,262
R. A. Bell Proposal:	66,940	66,569
Grenville-Carleton		
Commission Proposal	63,715	79,694
—Augusta, Prescott	10,281	10,288
	53,434	69,406
—Edwardsburg, Cardinal	5,590	5,611
	47,844	63,795
—Matilda, Iroquois	4,253	4,262
	43,591	59,533
+Fitzroy, Torbolton, Huntley & March	5,731	5,740
	49,322	65,273
+Winchester Township & Village and Chesterville	5,546	5,673
	54,868	70,946
+Ottawa (not included by Commission)	235	371
	55,103	71,317

Net Changes in Population of Ridings between Commission Proposals and R. A. Bell Proposals

	1961	1964
Renfrew-Lanark	+8,526	+6,147
Leeds	+1,614	+4,012
Stormont-Dundas	—1,293	—1,411
Grenville-Carleton	—8,847	—8,748

[Mr. Deputy Speaker.]

Mr. Bell (Carleton): As indicated in the notice of objections, the electoral district I propose would be known as Carleton-Grenville-Dundas.

Now, Mr. Speaker, a basic problem with the riding of Grenville-Carleton as proposed by the commission is that it could have no permanence. As I have submitted, every effort should be made to create a relative permanence from one redistribution to the next. I say to you, it is bad for parliament; it is discouraging to members and to prospective candidates; it destroys public interest; to have revolutionary changes every ten years. Every effort should be made to obviate it.

The proposed Grenville-Carleton riding, for example, has no cohesion, no mutuality of social and economic interest between the St. Lawrence front and the Ottawa valley area. On the St. Lawrence, the patterns of trade run east and west, not north and south. This redistribution runs directly counter to all historical patterns.

• (7:20 p.m.)

I have not dealt with the redistribution of the Ottawa ridings because frankly it is beyond me, as one individual, to complete the necessary research. To prepare statistics for the Ottawa ridings such as I have given the commission, and the summary of which are placed on the record, for Grenville-Carleton would take many days of research in the Dominion Bureau of Statistics and in the City of Ottawa assessment department. To do this is the responsibility of the commission staff.

These facts only I mention. In my opinion, the proposed Ottawa-Carleton riding should not cross the Rideau river to include Carleton Heights and Courtland Park, torn from the old Carleton riding. These areas simply have no mutuality of interest with the east bank of the Rideau and will turn out to be political orphans. Properly these communities belong with Nepean.

The figures for the proposed Ottawa Centre take no account of the great loss in population in that electoral district due to the expropriation and razing of LeBreton Flats and part of the Preston street area. In the proposed Ottawa West, no account is taken of the development of some of the largest apartment buildings in Canada, with many thousands of new residents. To equalize the population of Ottawa Centre and Ottawa West, certainly it is not necessary to carry the boundary of Ottawa West eastward as far as Bayswater avenue.

These are matters which I submit the commission has an obligation to re-examine and to report in detail.

Sir, I had the privilege of filing certain objections in relation to the proposed electoral districts of Etobicoke and York West and in metropolitan Toronto generally and to the readjustments in northern Ontario. Other members will be speaking on these subjects. I merely wish to say to the commission that these representations which I filed were based on serious representations made to me by political organizations in these areas, and I hope that the commissioners will give them their earnest consideration.

In conclusion, sir, I hope that the members of the commission will take very seriously the views which have been and will be expressed in this debate. They should know that the great majority of Ontario members of all parties are gravely dissatisfied with the work of the commission. These representations which we are making this evening are not mere politicians' gripes. They are an honest expression of sincere opinions of the people who do know Ontario best, who know its geography, its cultural and social affinities, its economic regions, its trade and communication patterns. It is because we, the members from Ontario, do know our Ontario that we are here representing the people in Ontario in this chamber. I say that our views and opinions publicly expressed in this chamber are entitled to respect and to sincere consideration by the commission to whom we have abdicated this vital function. I ask the representation commissioner to refrain from continuing the cavalier attitude he has displayed and to examine the views which are expressed in this debate with an open and judicial mind.

The commission has an obligation to parliament and to the people to give balanced and detailed study to these representations, and to seek further counsel where necessary. If they do, I am certain that much of the Ontario redistribution cannot stand as now proposed.

None of us here has any vested interest in any particular riding or in any geographic unit. My two and a half year holiday from this house certainly proved that to me. When we who are now in this chamber leave it, others will take our places and try to do a sincere job for their ridings and for Canada. What I want to make certain is that we have a redistribution which will give these members of the future, who succeed us, geographic units and areas which make possible the finest representation of the people of this great nation.

Mr. P. V. Noble (Grey North): Mr. Speaker, at the outset I should like to commend the hon. member for Carleton (Mr. Bell) for the excellent general presentation he has made in relation to the over-all problems of this redistribution. Therefore I propose to speak only of my own area.

It has been my privilege and honour to represent the good riding of Grey North since 1957. This riding embraces an area that has been in the same unit since confederation, a riding that became prominent in the famous by-election of 1945, the results of which were headline news across this nation. I might also say that I have had 14 predecessors since the birth of Canada. Needless to say, each has made a worthy contribution and I pay tribute to them.

I object to the boundaries as set up for the new proposed riding of Grey Simcoe because of the complete disregard for the social, cultural and economic interests of the municipalities that are grouped together. For instance, the townships of Flos and Tiny on the east are closely linked with Penetang and Midland, and they should remain in the same riding as these two towns because they have little in common with Owen Sound on the west. On the other hand, Keppel, Sarawak and Derby townships have everything in common with Owen Sound. In fact, hundreds of people from these townships work in that city; yet the new boundary eliminates these municipalities from that city in their midst and from the riding.

The geographical aspects have certainly been ignored, and from this point of view it would be virtually impossible to have unity or community of interest.

Another important factor that must be considered and which, of course, has developed since the census was taken is the designation of the Georgian bay area. Several new, large factories will be in production this year and others are under construction, so that an immediate population growth is assured. As further evidence of the impending development, which will certainly result in increased population, I would like to read an excerpt from an article in yesterday's Owen Sound *Sun-Times* which came to my hand today. The heading is "Many industries showing interest in Owen Sound", and the article goes on:

> Negotiations are proceeding with a dozen or more industrial prospects for Owen Sound. Some appear

likely to result in plants being located here; others are more remote. Such was the report of industrial commissioner R. C. Taylor to members of Owen Sound civic development committee Tuesday evening.

We in Grey North concur in the riding as set up under provincial redistribution where some recognition was given to several significant features that have apparently been overlooked by the federal planners. I am reluctant to see any severance take place, but I do appreciate the fact that constituencies will necessarily have to be adjusted to bring some semblance of uniformity to the size of the ridings in respect of population. However, Mr. Speaker, there are other important factors which should not be overlooked.

In an area such as I represent, I feel a riding should be built around a traditional trading centre. A city or town, to enjoy this popularity, should be of easy access to the surrounding communities. It would have most of the services that attract people, such as good medical and dental facilities, adequate shopping centres, market accommodation, educational institutions, places of entertainment and culture. In fact, it would be a place where people have traditionally congregated for various reasons over the years.

Therefore, Mr. Speaker, I propose the peninsula area, with Owen Sound as the focal point of the new riding, the southern boundary to begin at Lake Huron on the west, follow the southern boundary of Saugeen, Elderslie, Sullivan, Holland, Euphrasia and Collingwood townships, and then north to Georgian Bay. The population of this compact area would be within a few hundreds in population of the ill-considered, incoherent proposition for the new riding of Grey-Simcoe.

At this time, Mr. Speaker, I would like to quote an excerpt from a radio broadcast editorial of June 21, 1965, emanating from the only station in our immediate area, CFOS:

• (7:30 p.m.)

The commission's report, made public earlier this week, recommends that parts of Grey county be associated with parts of Simcoe county to form a new federal electoral district to be called Grey-Simcoe. We also are aware that it will not be possible to make boundary decisions which will please everyone. But, at the same time, we suggest further consideration be given to the recommended arrangements for this part of the province. Although we have the highest regard for the people of Simcoe county, we think a combination of Grey and Bruce counties would make a more suitable community. A close association between the people of Grey and Bruce counties has been developed over a span of many years.

[Mr. Noble.]

We believe this association between the people of Grey and Bruce counties is an excellent foundation for the marriage of the two counties for the purposes of representation in both the federal and provincial governments. If a combination of the two counties is regarded by the commission as too large to be properly represented by one member, we suggest that the southern townships in Grey county could be associated with Wellington county and in the case of Bruce, the southern townships could be associated with Huron county.

Now, Mr. Speaker, it is abundantly clear to the interested people in our area that adjustments to the proposed plan will necessarily have to be made to save what now appears to be almost a ridiculous situation. Indeed, if the new federal lines are approved for Grey-Simcoe, it will be extremely awkward for any elected representative to serve adequately.

One can only trust that the wisdom which prevailed in the ultimate policies followed by Ontario officials in setting out the perimeter lines will to some extent, form the guide lines which federal authorities will use to establish the final pattern.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I intend to make a very brief contribution to the discussion about the general situation in Ontario. I only do so in fairness to the commission that did this work, and to what parliament has done in delegating this work to the commissioner.

It seemed to me that the hon. member for Carleton (Mr. Bell), after giving himself very good advice namely that it is not wise to insult the judge who is going to hear your case, proceeded in the next breath on a very vigorous, and I thought, sweeping attack upon the commissioner and the work of the commission.

I am not for a moment trying to suggest that individual members here may not have very strong and legitimate reasons for having objections to the proposals that were made. I can quite understand those strong feelings. However, I cannot quite reach the objectivity of the hon. member for Carleton, who said he did not look at these things at all from any sort of partisan point of view. I confess that I do tend to look at these things in the interest of my own situation, my own constituency, and so on. But I for one would not in the least want to hear it suggested that in eastern Ontario the suggested changes proposed by the hon. member for Carleton can be entirely in order, and that the commission would welcome the suggestions that he is making. I know in other parts there will be other, equally sound objections.

I notice the hon. member for High Park (Mr. Cameron) in his seat and I would not want to say anything to cut down the force of the objection he proposed to make. Generally speaking, the work carried out by the commission in the Toronto area from which I come, which is comprised of 20 to 25 ridings, has been done in a reasonable and fair manner. I think it only proper to say this, so that when the record of this debate is read it will not be assumed that all of us are in the position so eloquently and vigorously expressed by the hon. member for Carleton, who called the work of the commission one colossal gerrymander. He said if this had been done by the members of this house it would have caused a howl from coast to coast. I may not be quoting him accurately, but I think he used similar picturesque language.

In fairness I want to say to the commissioner that I, and I think I speak for a good number of members in my area, think that a fair and reasonable job was done in that particular area, and we are not anxious to see any substantial changes made, or any wholesale reconstruction of the work of the commission.

Although perfect results may not have been obtained, I for one believe that the principle of having this done by a non-partisan commission is sound. If we had taken the advice of the hon. member for Carleton, this would be thrown back into the arena of politics, and would have resulted in great difficulty.

I want to put on the record my view that the commissioners, perhaps with some exceptions in certain areas, which I think they will correct, have done a reasonable job, and that parliament should be satisfied with its own decision not to throw this into the arena of parliamentary discussion.

Mr. J. E. Brown (Brantford): I should like to add a few words to this debate. I am very glad that both the hon. member for Carleton and the hon. member for Greenwood have expressed the views they have, because I believe each in his own way has given a picture of the situation which the commission should review.

I do not want to speak in any way disrespectfully of the commission, but I was one of the members of parliament who signed an objection to the suggested new boundaries that the commission fixed for the riding of Brantford and for the proposed new riding of Brant.

In doing so I want to make clear that I do not wish to accuse the commission of wrongdoing in this regard. However I believe that some of the general criticisms that were levelled by the hon. member for Carleton were just, and really should be considered by the commission.

Mr. Winkler: Hear, hear.

Mr. Brown: I refer specifically to his appeal that a riding, that a constituency to be represented in the House of Commons, should be based on a cohesive unit socially, culturally, and economically as far as possible. That makes the job of the commission very difficult.

I, for one, know that the Electoral Boundaries Commission had a very difficult task in front of it. But we, coming from this house, also have had a good deal of experience in these matters. I have represented the constituency of Brantford for a number of years in the House of Commons, and I feel that the matters raised by the hon. member for Carleton should be studied. They are very important. I am very glad that he quoted from the Right Hon. W. L. Mackenzie King, who gave a lifetime to public service and who had a great deal of experience in this regard.

I feel that a constituency should be a definite cohesive unit. For these reasons I should like to refer to the specific objections which have been raised, not by me, but by the constituents of the various municipalities in the new proposed electoral riding of Brant. Accordingly, I should like to commence by referring to the township of Ancaster, which in the commission's report is to be annexed to form part of the constituency of Brant.

• (7:40 p.m.)

Now Ancaster township goes to the city limits of the city of Hamilton. This means that the new constituency which I or someone else will be representing in this house would extend to the Hamilton city limits. There have been widespread objections in the press and elsewhere from the residents of Ancaster township to the effect that never in history have they had anything in common, any common association, with the people of Brantford. This is regrettable as far as I am concerned. I love my city and I want to say right now that I would love to represent the township of Ancaster in this House of Commons, a beautiful township if there ever was one. I want to make it abundantly clear that I have no political reason for stating this. But

I believed the objections of the people as placed before the commission should have been taken into consideration. Certainly the commission did take account of some of the objections filed. The commission did make changes after hearing from numerous bodies whose representatives appeared before it after its findings had been made public.

Ancaster includes not only the township but a great village which is sometimes called the dormitory village of the city of Hamilton. A more historic or beautiful village cannot be found in the province. But the people of this area go to Hamilton for all their shopping. They go there to conduct all their business. They go there to attend the sessions of the courts as well as for every matter affecting their daily lives. They do not like being incorporated in the new proposed riding of Brant. They do not have a common background with Brant economically or politically—I do not know about culturally. Certainly they have always looked to Hamilton as the centre of their activities

I turn, now, to the little township of Oakland. Having added the township of Ancaster to the constituency I represent, the commission took away a very small township, the township of Oakland. Oakland is one of the smallest townships, if not the smallest, in the province of Onatrio. The people of Oakland were much incensed about this action on the part of the commission—so much so that they circulated a petition and filed it with the Speaker of the House of Commons. It is here for everyone to see.

There are just over 700 electors in the township and more than 500 of them signed this petition to the Speaker of the House of Commons saying they did not want to be taken from the proposed constituency of Brant and put into the new constituency of Oxford. This little township forms a wedge, a wedge which is not without historical significance. I feel that if nothing else is done the wishes of the population of Oakland should be respected. As far as the constituency is concerned, it does not make much difference where the 700 people vote but it does make a great deal of difference to the residents. I am informed that nearly 100 per cent of the electorate would have signed the petition but it was circulated in a hurry so as to get it before the house quickly and it did not reach everyone. Still, more than 75 per cent of the people in Oakland did sign it. In these circumstances, as the member of parliament representing this area at the moment, I feel it is only my duty to make whatever representations I can on behalf of these people.

The inhabitants of Oakland reside within six miles of the centre of Brantford. They go to Brantford for all their business. They go into Brantford for meetings—public meetings and meetings of organized groups. They take part in the affairs of Brant county. They go into the courthouse of Brant county—the county courthouse is situated in the middle of the city of Brantford. Now they have to look to the city of Woodstock and I am told by these people that they do not go to Woodstock for anything. They are asked to select a member of parliament to represent them in the House of Commons from an area dominated largely by the great county of Oxford. They feel they will in some way be cast out—that they will no longer enjoy the kind of representation they have had in this house in the past.

I wish to say a word, now, about one other township, a much larger township with over 2,700 qualified electors, which under this redistribution has also been assigned to Oxford. I am speaking of Burford, and the same feeling exists in Burford as exists in Oakland. These people go to Brantford for everything connected with their business. Ever since 1852 when Brant county was set up, a little later than the other counties, the residents of Burford have gone to Brantford on all their business.

Brant county does seem to form a cohesive unit, I must say. The people of Burford feel that separated from the county with which they have always been associated they are not likely to be represented as effectively, as a unit, as they have in the past. I should like the commissioners to take account of this feeling and act accordingly. I believe they will do so because this commission has, on the whole, done a very good job considering the task placed before it. Some of these decisions do affect my constituents.

I have no quarrel with the name which has been selected—the name "Brant". In the absence of that name even the people who at the present time compose the electors of my constituency would feel they had been cut off completely. They feel at home with the great name of Brant, so I shall not complain about that decision. I am not complaining about everything the commission has done. I want to commend the commissioners on having put into my present constituency the township of South Dumfries, a great township. The residents come to Brantford for everything. This

brought into the new riding the town of Paris, a beautiful town, and this too was a commendable decision.

• (7:50 p.m.)

This is the way it had been in the first proposed division. In their first proposed set-up of the new constituency the commission had put Paris in Wellington county to be represented in this house. It has been changed. This new change is far better for the people of Paris and far better for the people of South Dumfries. That was done because those people attended before the commission and were able to have the change made, so that they will come in the new riding of Brant where they should be and where they might be expected to be.

I am only going to say in review, Mr. Speaker, that I feel the commission should pay special attention to the four points I have mentioned. I believe on reconsideration and upon looking at the work the commission did in revamping the provincial boundaries, they will see that it is probably better to leave in the new riding of Brant those units which always have been around, and have revolved around, the centre of the city of Brantford over the years. If Ancaster township were taken off and Burford and Oakland put back on along with South Dumfries, as the commission has rightly done, I believe that would be a good constituency, together with Onondaga.

If it cannot be worked out in any other way by the commission and if Ancaster cannot be put any other place, I will be glad to accept it, but I do not want to see Burford and Oakland taken off. In the new proposed constituency I would have the largest constituency in the province of Ontario; I do not object to that. I would be sort of proud to think I represented so many people, provided I was elected.

I feel I have put on record my few objections and I would seriously like to have the commission consider them very carefully, in the hope that perhaps a better drafting can be made of a new constituency there—because there has to be one—we all know that. I should like to put on record one other little point. It has been suggested to me and also suggested unofficially recently to members of the commission that Ancaster township be split at the Shaver's side road, to which I have no objection, and that the village of Ancaster and that part which lies immediately beside the city of Hamilton be incorporated into one of the ridings in Wentworth. Then the rest could quite readily be assimilated into Brant county. But that is a matter I would leave to the discretion of the commission in its wisdom.

I have given my opinion in respect of these proposed changes. I have been fair, I hope, and I wish to make one thing clear: there are no politics whatsoever involved in the remarks I have made. It does not make any difference to me. I am only too glad to represent that whole new area; but it is the people themselves who are dissatisfied, and I think their feelings should be brought forward. Personally it makes no difference to me. The Brantford *Expositor* had an editorial criticizing all the members who wanted these changes made and said that an independent commission had given its views, and that now they wanted to bring it back into politics. I do not want it brought back into politics. I want a fair, impartial finding made, and I believe the commission will do that, upon considering all the facts and circumstances.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, it is difficult for me to ascertain whether the applause is approbation for my standing to participate in the speeches or because my constituency is disappearing. Unlike the previous speaker, who says he does not mind the great area being added to his constituency, I am one of those who will have nothing left to represent as such.

Mr. Speaker, I think the way we are proceeding now is a wise one, provided the commissioners will pay attention to the words spoken by the members in this house. The reason I bring this forward is simply this, that I do not believe we can justifiably deal with the implications of redistribution without considering the political aspirations and the other points which have been raised in this regard. Therefore, as some hon. members have mentioned, to keep it on an independent basis and in the hands of an independent commission outside the House of Commons, I think it would be only fair that the representations being put forward here on behalf of the different constituencies and provinces be given some attention, so that in the final analysis all the words spoken here in this unusual type of debate would not be redundant.

I would hope that the members of the commissions have sufficient cognizance of the political abilities of the people in the House of Commons to give a fair and sympathetic hearing to the changes which have been requested, and act accordingly. To begin with, let me refer back to a few of the hopes that were set forth at the time the measure was introduced in the House of Commons. I wish to refer to the words of the Minister of Transport (Mr. Pickersgill) who, in speaking on March 10 had this do say, as reported at page 739 of *Hansard*:

> The second principle was that in doing this we should not abdicate the final responsibility which is imposed upon this parliament, and we would have to find some means of making sure that we did not just turn this matter over to a commission without any final power in parliament at least to object if any palpable and obvious errors seemed by the majority to have been made.

This is in support of my opening remarks, and again I only make the plea that the commissioners heed the words of those who have spoken. At a later time he went on to say:

> We will welcome improvements from any quarter of the house.

This is at page 743 of *Hansard*. He was quoting at that time from a previous *Hansard*. I will refer to another objective:

> That such commission in so doing shall consider the distribution of population according to the then latest census of Canada and the public interest and convenience—

I shall have some remarks on that in a few moments.

> —and shall particularly have regard so far as practicable to the boundaries of the counties, municipalities and cities.

I think it has been pointed out by my colleague the hon. member for Carleton (Mr. Bell) that in many cases this has not been given proper attention. I would say to you, Mr. Speaker, that the interests of the public and their convenience, as has been pointed out in my specific petition, has not been given proper consideration. At a previous time in this debate Mr. Moreau, the former member for York-Scarborough was very critical of a contribution I made and referred to my remarks as being associated with rural tyranny so far as constituencies such as his are concerned.

• (8:00 p.m.)

I want it very clearly understood that I do not object to the commission or to redistribution. I do not object to what has happened to my riding. I do object, however, to the method used by the commission as indicated by the proposed map of constituencies in southern Ontario. I must add at this point that my objections are based on an interest for the people of Ontario whom I represent. First, they have not been properly served. Second, the centres of population and natural lines of communication have been disregarded. Third, traditional boundaries have been ignored. Fourth, in consideration of the counties of Grey and Bruce, plus some adjacent territory, they might have been divided into two contiguous constituencies, having similar interests. Therefore, the lines have been improperly drawn. Fifth, there is little or no similarity between the new boundaries and the boundaries being considered for provincial redistribution.

Mr. Speaker, I have been supported in these objections by the words of one of the ministers who spoke prior to the printing of these principal objections. If my words at this time are true, it would seem to me that the commission has a serious responsibility to take another look at the proposed map. None of us has any right to make amendments or do anything but make suggestions. We must therefore depend upon the integrity of the commissioners to deal with the situation accordingly.

The speaker preceding me made some reference to the city of Paris. I have in my hands a copy of *The Ayr News* dated Thursday, June 24, 1965 in which there is a prediction of what they expect will happen in Paris. Things apparently turned out differently. For the sake of the people of that area I hope things worked out well, because it states here that the people of this particular area do not like to be divided.

It seems, according to some comments that have been made today, that we have become too sophisticated to use words like "gerrymandering" or "hiving". In order to describe what has happened we use the word "redistribution". Perhaps that is an appropriate way of describing the system or method used to eliminate the riding I have the honour to represent. I have often wondered, since the proposed maps were produced, whether it is a mere coincidence that my colleague, the hon. member for Grey North (Mr. Noble) and my colleague, the hon. member for Bruce (Mr. Loney) and myself happen to find ourselves now in one proposed new constituency. It seems to me that the line is very narrow in respect of two cases for anyone to believe that this is a matter of coincidence.

My colleague, the hon. member for Grey North and myself have done a substantial amount of research regarding the constituencies we now represent and which are about to disappear, unless further consideration is given to the proposed changes. When the preliminary maps were drawn the commissioner invited me to view them. That map was exactly as the map now before us. With my knowledge of the political and constituency structure of Ontario I thought the work regarding the southern part of the province was reasonable.

It was my belief then that the lines, running north and south in the heavily populated areas, created the kind of division which would allow necessary flexibility for the future, in view of expanding population. I suggested to the commissioner at that time that the lines in the northern part of southern Ontario should run east and west, and I impressed upon him my reasons for that suggestion. Apparently my words had no effect because the map now before us is exactly the same as the preliminary one I had the opportunity of seeing.

At the present time the population in my constituency is 36,883. This is quite low, but there are constituencies with smaller populations. I pointed out my political philosophic thinking to the commissioner, and in this regard I should like to agree with the remarks of the preceding speaker when he said that he was speaking in the interests of the people of this area. I have always conducted my political life on that basis and will continue to do so in the future.

I suggest that the new lines for my riding and the riding of Grey North, as well as the ridings south and east of this area, be drawn in an east-west direction. This would create a tremendous advantage and provide flexibility for future expansion. By doing so we would create a constituency with a population of 66,967 with a division approximately midway in the counties of Grey and Bruce in an east-west direction. This would include very few townships, towns and villages which are not now included but it would create two constituencies exactly similar, in that they have the same type of people, growth and prospects.

As the hon. member for Grey North pointed out, the proposed constituency would have two centres of population at opposite ends, made up of people with varying interests. The flow of the people in both communities would cross two constituencies, making it very difficult for any representative to do a good job.

In my own constituency one centre of the population is in the southeast corner. Obviously the flow of these people is toward or into the city of Owen Sound. At this particular time a provincial redistribution map is drawn in such a way that it takes this fact into account. That is not so regarding the proposed lines for the federal constituency.

I think the proposed map is unfair in another respect. Since this government has taken office many things have been inequitable. The hon. member for Grey North found it possible to thank the government for establishing part of his constituency as a designated area. Everyone understood that this was the Georgian bay economic area. I should point out that it is the southern area of the constituency that is more in need, but that that area has been left out of the designated area. This kind of thing will happen more often and result in more confusion, particularly if the government is not aware of the existing boundaries.

Again let me emphasize that I am not objecting in any way because a member will have to serve a larger area with a greater population; but let me suggest that members representing urban ridings find their jobs much easier than those representing rural ridings, because government offices and services are always available to them, whereas they are not as assessible in rural areas. A member representing a rural area must perform a greater degree of personal service for his constituents than does a member representing an urban riding. This has been verified by the remarks of hon. members on both sides of the house.

• (8:10 p.m.)

I say that the lines as now drawn will make it very, very difficult for rural members to carry out their responsibilities and are not at all consistent with the best interests of the people. If the best interests of the people had been considered I believe that the lines for the northern, heavily populated areas of southern Ontario would have run east and west, as I have suggested, rather than being in the jumbled pattern that is now before us. I have only to think of the constituency of my hon. friend from Cochrane to realize what a terrible mess can be made in this regard and how completely unreasonable the boundaries of one riding can be. I do not even have to refer to my own constituency to prove this point.

Reference has been made to the words of wisdom contained in the brief presented by Mr. Inrig to the Electoral Boundaries Commission for the province of Ontario. I believe that parts of this brief should be placed on the record of the house for the information of hon. members and the commission, who will then have it before them for their consideration of the suggestions placed before the house. Mr. George F. W. Inrig of Lindsay, Ontario, deserves commendation for the amount of work and effort he put into this brief, which contains many valuable suggestions which I believe could be used by the commission in its subsequent days of consideration. The brief says in part:

> The organization of political parties and the participation of the political party in the democratic process requires a consistent geographical unit within which to function.

This is one of my basic arguments against what has been done with the counties of Grey and Bruce. The brief continues:

> The alteration of electoral district boundaries should be kept at a minimum.

Not only have they not been kept at a minimum but they have been changed so as to cause confusion for political organization, regardless of the party to which a member belongs. The brief then says:

> It is, therefore, desirable that, whenever possible, the alteration of electoral district boundaries should be made only after taking into consideration the community of interest of the residents and the location of the population centres within the geographical unit—

Again, Mr. Speaker, this is the type of objection I have taken and I do not believe the commissioners applied this thinking when considering southwestern Ontario. Mr. Inrig goes on to say:

> Regardless of population, the urban representative can service his constituency with greater ease than the rural representative who must cover wide territories. This is not equality of representation.

Again this is in support of my statement with regard to government services, which are found in urban areas and certainly not in rural areas where the member must himself carry on these services. The brief also states:

> Redistribution, as it has been proposed by this commission, should it occur every 10 years, would mean the end of political organization in this province.

With the population as it is in Canada today, and with the reasonable understanding that I think all of us have, namely that what Canada needs more than anything else is people, I believe that if we have the ability to organize, assimilate, absorb people and create jobs quickly enough, it would not be impossible for us soon to absorb 20 million or 30 million people for the benefit of our economic future. However, I believe that the commission has not been looking into the future. Then the brief says:

> It is not suggested that this redistribution is not necessary, but it is submitted that redistribution of this magnitude occurring every 10 years would be a serious detriment to political organization.

I believe a great many of us would be prepared to agree with that statement. As I said, this is a valuable brief and one which I think agrees with the thinking of most members. I am glad to be able to place these remarks on the record for the consideration of the commission.

On an earlier occasion when I participated in the debate on this matter I was widely criticized by the press. I have here a letter to the *Globe and Mail* criticizing me for making these remarks because I represent in parliament such a small number of people. As I have said, other constituencies are smaller than mine. I was also criticized for wailing about gerrymandering. I do not think I used the word "gerrymander" at that time but, as I said earlier, I sometimes wonder whether it was a coincidence that this situation has developed. In the lifetime of parliament this situation does not, of course, happen very often. Sometimes I think that had my predecessor still been in office, some other means would possibly have been found to deal with this situation.

We do not put these matters before the commission simply for the sake of argument. My colleague from Grey North used the editorial comment of radio station CFOS to bear out his point. I agree completely with him. Apparently this was the consensus at the time and remains so today. I believe the lines on this map have been poorly drawn with regard to southwestern Ontario. Consideration should be given to their being changed in order that in the future the best type of service may be obtained for constituents by members elected to the house. This service cannot be provided with the boundaries drawn as they are in this map, in which you have people from the tip of the Bruce peninsula coming down to the southeast corner of Grey county. From the central, northern part of Grey county the lines run down almost into the city of Waterloo. There is no community of interest whatsoever there. There is no community of interest on the

other side. There is no community of interest for the people in the riding of my colleague from Grey North. The suggestions I have placed on record will make no difference to me politically, as I explained to the commissioner, but surely the advice and suggestions of members of this house deserve consideration by the commission, because they are fair, sensible and equitable.

Mr. Keith Hymmen (Waterloo North): Mr. Speaker, I wish to speak very briefly on this matter as it affects Ontario ridings. My remarks will be similar to those of the hon. member for Greenwood (Mr. Brewin), because I do not wish to go into detail and shall make just two general points. My remarks will have reference to the twin counties of Waterloo North and Waterloo South.

A name has been mentioned in the house this evening, that of one of our great prime ministers, and I would remind hon. members that the Right Hon. William Lyon Mackenzie King was born in the riding of Waterloo North and first served as a member of that riding.

The point I wish to make was mentioned earlier by the hon. member for Carleton (Mr. Bell). I have no objection to the idea of an independent commission dealing with the question of redistribution, provided that the proper criteria were used by them and arbitrary decisions were not made. The hon. member for Carleton mentioned population growth. I think we all know of the tremendous growth of our urban areas. The growth of population in the two cities in my riding is 4 per cent annually, and their boundaries are not fixed. As the commissioners well know, but for the benefit of hon. members of the house, I would point out that under redistribution the two ridings of Waterloo North and Waterloo South are joined together. Both are in what I consider to be one of the finest counties of Ontario, but the people of the north have a little different background from the people of the south.

• (8:20 p.m.)

Out of the centre of this combination is formed the new urban riding of the city of Kitchener, what I call the hole in the doughnut. With all respect to independent commissions, I may say that since I have been in this place I have found it is impossible to talk to an independent commission. I am wondering whether, in determining this new configuration, the growth potential of this urban municipality was taken into consideration. As I am very well aware, and as our rural neighbours are aware, it is possible that within a few years the city of Kitchener will reach out to the boundaries of the county and the new riding of Waterloo will be cut in half.

When the riding of Waterloo South was joined with Waterloo North to form the new riding of Waterloo, the town of Elmira and a rural area which for years has been associated economically and socially with the twin cities of Kitchener and Waterloo were cut off. I believe that this area will be joined to the riding to the north. In so far as an independent commission is concerned, I can say that if this redistribution had been in the hands of parliamentary committee many members could give a very sympathetic hearing to these many problems. If a job has to be done, then you certainly have to take the ultimate objective into consideration and some things have to be changed.

The other point I wish to make is one that probably affects other Ontario ridings. The federal redistribution took place concurrently with provincial redistribution. I feel that there might have been closer liaison and some different decisions made. When the two ridings of Waterloo were changed to form two new ridings in the area, we found that we had four new ridings, two provincial and two federal. This in itself, causes more confusion. We now have four organizations for the various political parties. Again I say that this job could have been done a little better. I certainly hope that in registering my objection, not a strong objection, the commission will take these matters into consideration.

Mr. W. C. Scott (Victoria (Ont.)): At this point, Mr. Speaker, I do not complain about my riding being too small, but rather I complain about its being too large under the proposed redistribution. I feel that in a democratic state the role of a political party is in the selection, promotion and election of candidates for public office; in assisting the elected representatives in the solicitation, assessment and qualification of opinion and in the discrimination of policy. It is through the means of the political party that peaceful change in government can occur.

In order to be effective, political parties must be highly organized. They cannot operate as loosely knit associations but must be united, disciplined organizations reaching every segment of the community and representing the main interests of society. The establishment of poll, ward and township organizations is tempered, if not destroyed, by the continuous alteration of electoral

boundaries. Although it may be true that permanent establishment of electoral boundaries is not possible, alterations should be kept to a minimum.

One factor in political organizations is that the participation of the citizen in political activities is affected by the interest of the individual in and the accessibility of the individual to the major population centre of the geographical unit. In other words, a citizen will be a participant in political organization if he resides within the sphere of the community of interest of the political unit. It is therefore desirable that wherever possible the alteration of electoral district boundaries should be made only after taking into consideration the community of interest of the residents and the location of the population centres within the geographical unit. This is necessary if an effort is to be made to encourage citizens to become involved in political activity.

It is submitted that it is the duty of a citizen in a democratic state to become involved in politics because it is only through an active, interested, informed participating electorate that democratic government can succeed. The elected representative, whether he be a member of the House of Commons or a member of a provincial legislature, not only represents people as individuals within his electoral district but he also represents the geographical unit, the social, cultural, economic and many other interests within his electoral district. It is submitted that it is as important that the elected representative be physically able to represent his geographical unit, as it is that the people within the various geographical units have numerically equal representation.

Although those citizens residing within the heavily populated areas of our nation demand redistribution to establish numerically equal representation, the citizens residing in the less densely populated areas are entitled also to equal representation. We do not mean, in this context, numerical equality but rather equality of service which is dependant upon the ease and accessibility with which the elected representative can communicate with his electorate. The urban resident may believe he is under-represented because there is a greater population in the urban constituency than in the rural constituency. The rural resident may believe he is under-represented because the urban constituency is composed of a dozen city blocks, while the rural constituency is composed of 50 or more townships. Regardless of population, the urban representative can service his constituency with greater ease than the rural representative who must cover wide territories. This is not equality of representation.

[Mr. Scott (Victoria, Ont.).]

It is, therefore, desirable that in establishing the electoral district boundaries, not only should numerical factors be taken into consideration, but geographical factors must be considered to enable the elected representative effectively to represent his constituency and to encourage the citizens to become involved in political activity.

• (8:30 p.m.)

Directing attention to the areas affected by the proposed electoral district of Victoria-Haliburton, it will be seen that the counties of Ontario, Victoria, Haliburton, Peterborough, Hastings, Renfrew and Nipissing are involved. The proposal of the commission is to establish the riding of Victoria-Haliburton, comprising the county of Victoria, the provincial county of Haliburton, three townships from the county of Ontario, eight townships from the county of Peterborough, six townships from the county of Hastings, five townships from the county of Nipissing and three townships from the county of Renfrew.

This proposal removes the township of Brock from the existing electoral district of Victoria and adds 22 new townships to the existing riding. The proposed riding will consist of 60 townships, the town of Lindsay, the villages of Havelock, Fenelon Falls, Bobcaygeon, Beaverton, Woodville, Minden, Haliburton, Omemee, Barrys Bay, and many other smaller hamlets. It can be said that the population centres of the proposed riding will be centred around Lindsay, Havelock and Barrys Bay.

The township of Brock is within the sphere of the community of interest formed by the four northern townships of the county of Ontario, namely Rama, Mara, Thora and Brock. These four townships have been politically connected for a long time with the present electoral district of Victoria. I find that the residents of Brock township have strong social and economic ties with the Lindsay area as well as with the people in the three adjoining townships to the north. Their political affiliations have been for a long time very closely connected with the existing Victoria riding. If they are forced to change their political organization, the result

will be that the citizens of the township of Brock will have little interest in participating in political activities. Therefore I suggest that the township of Brock be included in the proposed riding of Victoria-Haliburton.

The proposed riding of Victoria-Haliburton is geographically too large, although it is not numerically large. The electors of this area would be under-represented if one member of parliament were expected to cover this territory. It is acknowledged that there are ridings to the north of this riding which may be geographically larger, but the problem of representing these ridings is not as great, as the population is centred along waterways and rail lines. In the proposed riding of Victoria-Haliburton three major population centres exist, namely Lindsay, which will be the political centre of the riding, Havelock and Barrys Bay. As well, there are other population centres such as Beaverton and Haliburton.

Although the major population centre of the riding, Lindsay, is situated in the southwestern corner of the proposed riding, Barrys Bay is situated in the northeastern corner of the new riding and lies some 100 miles as the crow flies from Lindsay. By road the distance is approximately 140 miles.

A former representative of Victoria riding, Sir Sam Hughes, is reported to have told reporters that if he drove as far south from Lindsay as it was necessary for him to drive north to reach the farthest extent of his riding, he would end up in New York state. The representative of the new riding of Victoria-Halliburton could claim to end up in Lake Erie, if not in Ohio, should he drive as far southwesterly from Lindsay as it will be necessary for him to drive northeasterly to reach the farthest extent of his new riding.

The village of Barrys Bay, and the three townships taken from the county of Renfrew, Burns, Jones and Sherwood, as well as the five townships of the county of Nipissing, that is, Airy, Murchison, Dickens, Sabine and Lyell, have no community of interest with Lindsay nor with the other areas of the Pembroke-Renfrew community. The road system leads to Pembroke and Renfrew. To associate with the other areas of Victoria-Haliburton, the residents of this area would have to pass through either the new riding of Hastings or through the new riding of Parry Sound-Muskoka.

There is absolutely no connection, community of interest, or common bond between this northeastern area and the rest of the proposed riding of Victoria-Haliburton. It is submitted that this area should be united with the ridings to the north or to the east.

By adding the township of Brock, whose political ties have been with the people of Victoria-Haliburton riding, to the proposed riding of Victoria-Haliburton would more than compensate for the population loss of the eight northeastern townships, whose political affiliations have never been with the Victoria-Haliburton constituency.

Mr. A. J. P. Cameron (High Park): Mr. Speaker, I should like to take part in this debate for a short period of time. My argument is much narrower than that advanced by other hon. members. I have one contention only which I want to make and to pass through you, Mr. Speaker, back to the commissioners. It is a submission which I think they will entertain and deal with in a kindly manner.

My representation is for the retention of the name of High Park for that substantial part of the riding which has been taken into the new riding of Humber Valley. In this connection may I say that High Park was created a riding in 1924. Since that time there have been 13 general elections, and I have been involved in every one of them, nine times as a candidate and at other times as official agent, returning officer, and so forth. I have also lived in the riding for the better part of my life, so that you can see, Mr. Speaker, it really does mean something to me personally to see the name of High Park retained.

Apropos of that, may I place on the record a representation which I received from a number of persons in the present riding of High Park. It reads as follows:

> At a duly constituted meeting of the special committee to look into the proposed redistribuion of the boundaries of the federal riding of High Park which took place on February 23, 1966; and after a thorough discussion re same it was unanimously resolved:
>
> Whereas the new redistribution of federal ridings has proposed to incorporate certain sections of the High Park federal riding into the ridings of Davenport, Parkdale and Humber Valley, and thereby eradicating the present riding of High Park;

May I observe, in passing, that I do not agree with what was said by my hon. friend from Grey-Bruce (Mr. Winkler), because I will still be living in the riding, and if at that particular time I do have any political aspirations I am sure I can find a very comfortable home in any one of the three parts into which my riding has been divided. I am sure

the same thing will apply to the hon. member for Grey-Bruce.

After that interpolation may I resume my reading of this resolution.

And whereas our association deems it in the best interest of the residents in this area to retain the symbolic name of High Park which includes in this area High Park, being synonymous with open spaces for leisure, flowers and gardens, etc., which has greatly enhanced the character and tranquil beauty of our city of Toronto.

• (8:40 p.m.)

And whereas since the re-distribution was based on 1961 population figures it is now obvious due to high rise developments in the High Park area that there shall be a much greater concentrated population therein than was initially anticipated.

And whereas for the reasons above stated the provincial committee on redistribution has found it advisable to retain most of the present provincial boundaries of High Park.

And whereas a greater portion of Humber Valley comprises the old riding of High Park; our committee strongly recommends that the name of High Park be retained as a federal riding constituency for the proposed riding redistribution.

May I say, as a contestant in nine elections, as one who has practised law in that riding for many years, and as one who is very well acquainted with the population of the riding, that I am sure I speak on behalf of all persons in the riding when I say that they want to retain the name of High Park.

At the present time the riding consists of 160 polls. Up until the last election it had 162 polls. Owing to the fact that the east-west subway cut through that riding, there was a considerable diminution of homes, and the returning officer in her wisdom reduced the number of polls.

There are 23 pools in Parkdale which belonged to the riding and which quite legitimately have been added to what is now called the riding of High Park and which has been renamed by the commission "Parkdale".

Fifty eight polls have gone into the riding of Davenport, which is proper and legitimate. The name "Davenport" is the proper name for that riding. I say that because Parkdale was a small community which was built up on the outskirts of York, and then Toronto, and Davenport was another small community which was built up on the outskirts of Toronto, and became part of Toronto but retained that cohesive quality of having been a former municipality.

I had an opportunity of writing to the commission when the first report was filed. I appreciated the position of my hon. friend from Parkdale when he found that his riding was called "High Park". The commission retained the name in that respect.

I was equally surprised when I found what is now Davenport had been called Parkdale, because there was no historic association between Parkdale and Davenport any more than there was between Parkdale and High Park. High park, and I am now speaking of the park, was incorporated in High Park riding during the time of its inception. No harm will be done if it is taken back. It has been put into Parkdale. I am going to suggest to the commission that it be taken back into the riding which I think they should call High Park. There are approximately three voters in that particular park.

Then, the commissioners in their wisdom have included eight polling subdivisions in an area encompassed by a line running westerly along Bloor street south to Humberside avenue and over to Quebec avenue. The commissioners will know what I mean when they refer to their maps.

I am suggesting that they exchange those eight polling subdivisions and take in lieu several polling subdivisions, which would give them a line on Bloor street to the east and west running along the line of the Canadian Pacific tracks and lying east of Pacific avenue. In that way they would be able to retain the division of the population, and the basic numbers that they have arrived at. That appears to be very fair and very reasonable.

High park itself is a great national park, fully the equal of Stanley park in British Columbia, and is one of the great parks in Canada and one of the breathing spots of the citizens of Toronto. To lose such a symbolic name now appears to me to be tragic.

As I mentioned earlier, I had the opportunity of appearing before the commission. I had written to them on behalf of my hon. friend, the member for Parkdale (Mr. Haidasz), suggesting that the name of "High Park" was inappropriate for that riding. I had also written to the commission about the renaming of Davenport as "Parkdale". Unfortunately I made no representations myself at that time about the name of High Park, intending to appear before the commission to express my views. On September 30 I found myself unavoidably otherwise engaged and therefore I was unable to be present. You can imagine my surprise, Mr. Speaker, when I got the final report and found that the name "High Park" had disappeared completely from the map.

While the name "Humber River" is a very important and a very historic name, because the Humber river was the gateway to Georgian bay in the north, the gateway of the Huron Indians, the pathway followed by Brulé, Champlain and others, and is a name that I honour, I am sure that the people who live in the area, and I expect the commissioners are not unmindful of this, would not object to the name of their riding being changed to "High Park-Humber Valley". You will notice that I put High Park first. The name should be High Park. If the people living along the river or near it wish to bring in Humber Valley, we shall be glad and happy to have that added to our name.

That, Mr. Speaker. is my representation. My riding, like Gaul, has been divided into three parts. Having been associated with it in 13 elections I have established many contacts and I have a great many friends. No matter what you do there is bound to be a separation of the community of interest which has been developed over 42 years. But whatever the riding is, the riding of High Park has within its boundaries some of the finest citizens of Canada.

So far as any political aspirations of mine in the future are concerned, I can say that any one of these ridings would be a place I should be honoured to represent. At the present time I want to represent to the best of my ability the people of High Park riding, whom I regard as being among the finest citizens of the Dominion of Canada.

Mrs. Jean Wadds (Grenville-Dundas): Mr. Speaker, as most hon. members of this house, I rise in this debate to speak with mixed feelings. As other hon. members who have mentioned this, I agree that this debate should be as non-political as possible, but only non-political to the extent that political advantage should not be taken of geographic rearranging for specific political purposes. I do think that it should be political, however, for the purpose of maintaining political activity and political enthusiasm in certain parts of the country.

• (8:50 p.m.)

We in Grenville-Dundas have known that with redistribution there would be definite changes in the old riding as it has been constituted for many years. We knew that we had three ways to expand, being on the St. Lawrence river and bordering the United States. We knew that the expansion would go east, north, or west.

Our main interest and concern from the beginning was that the old riding nucleus and base would be used, if possible, for the base of expansion. We felt that the interest and activity in the political world for which Grenville-Dundas has long been famous might thereby extend into an equally enthusiastic and active, if larger, riding, whatever its geographical area might be. We recognized that it was necessary for some of the very large ridings to be made smaller because of the impossibility of properly representing so many constituents. At the same time it was apparent that smaller ridings such as Grenville-Dundas, where everyone knew everyone else, at least by family name, would have to be enlarged. We hoped that a close knowledge of and interest in the political scene would be encouraged within the larger unity. Representations have already been made to the commission regarding the division of the old established county of Dundas. The people there feel very strongly about the separation of two of its townships from two other townships.

Having looked carefully over the population figures of eastern Ontario I believe this complaint could be met if there were a slight rearrangement. It is possible that during this debate some other arrangement might be outlined and that this, too, would prove acceptable. But in looking over the population averages of the eastern Ontario ridings I find these range between roughly 55,000 and 81,000. Glengarry-Prescott, Leeds, Grenville-Carleton and Stormont all have a population in the area of 60,000. If a township such as Cumberland, which is largely rural and which has a population of just over 6,000 were taken from the proposed Ottawa-Carleton riding of more than 74,000, this would still leave the mainly urban Ottawa-Carleton constituency with over 68,000, well within the general average. If Cumberland were added to Glengarry-Prescott instead of Russell and Cambridge, which together have a population slightly over 6,000, this would leave the riding of Glengarry-Prescott almost exactly as it is now, that is, around 62,000. If Russell and Cambridge townships directly adjoining Stormont county on the north were added to Stormont it would leave Stormont with about 64,000, still within the average of the eastern Ontario units.

With Winchester remaining part of Dundas county this would still leave Grenville-Carleton with a little over 74,000, within the

general average of the new population figures.

In making these representations I am not speaking for myself. I am representing many people and many families who have taken part in Canadian politics for generations. They wish to be fair, and in all the conversations I have had on the subject they have expressed this wish. I believe it is fair to ask that in the course of this necessary process of redistribution Dundas county should remain unbroken in whatever unit it joins. As I have said, there may be other arrangements which would achieve this end and I am sure that with continued good will and effort there can be compromise among the various opinions expressed during this debate. I trust the commission will take into account the detailed knowledge which most members of parliament have of their ridings and of the relationships involved.

I am sure the interests of Dundas county would be better served if the old Grenville-Dundas riding were used as a basis for future expansion. In this way the splendid and active interest which the area has always taken in politics will continue. It would seem to me that when minor changes can be made on the grounds of a homogeneity of interest this proposal should be given sympathetic consideration. I hope some of the community groupings outlined in this debate will be accepted by the commission. In this way I feel improvements can be made in the good work which has already been done with a difficult and complicated assignment.

Mr. H. C. Harley (Halton): I intend to speak in this debate only briefly in order to bring to the attention of the commission some of the problems arising from the changes suggested. The riding I have the honour to represent will be divided, and there will be two ridings in the area. This reflects the changes in population we have seen in southern Ontario, particularly in the Toronto and Hamilton areas, and is an indication of the industrial and residential growth of the region.

One of the main problems arising in connection with redistribution in Ontario is the confusion which arises between the provincial and the federal changes in the distribution of seats. As every member here is aware, this is inevitable unless the number of seats in the Ontario legislature and the number of seats in this place held by representatives from the

[Mrs. Wadds.]

province of Ontario become equal at some time.

The riding I represent has been divided in half. One of these halves was again divided into two parts, one of which will, virtually, become a riding in its own right; the other will become the riding of Wellington. I should like to refer in this connection to the township of Nassagaweya which did make representations to the electoral commission, though these representations were not reflected in the changes we now see before us. Like other members of this house I feel the commission appears not to have given consideration to the economic and geographical ties which exist in various areas. The town of Burlington which is to be in the new riding of Halton-Wentworth is closely linked with the township I have mentioned, Nassagaweya. The highways run north and south, and directly connect these two towns. The growth of the town of Burlington is toward Nassagaweya township. The people of Nassagaweya have shopped, farmed and grown up in this area and they wish to remain part of this area for all purposes.

As far as population figures are concerned, any change made to bring the township of Nassagaweya into the new riding would not be significant. The population of Burlington is approximately 50,000. Bringing in the township of Nassagaweya would perhaps add 2,500 people and 1,200 or 1,300 voters. I would therefore hope that the electoral boundaries commission would again consider, as it has promised to do in the past, bringing the township of Nassagaweya into this constituency in keeping with its growth, its history and its commercial habits, and keeping it tied closely with the town of Burlington.

Mr. Heber E. Smith (Simcoe North): I am sure it has been said before during this debate that no member has a vested interest in the part of Canada he represents in this house. While speaking tonight I shall try to express the feelings of the people of Simcoe county, as I have gathered them from many discussions since redistribution was first announced.

• (9:00 p.m.)

We knew there had to be redistribution. We knew that changes would have to be made and that some ridings would have to be made larger. But we in Simcoe county did not think this would be done in the way in which it has been done in our part of Canada.

The objections which people in Simcoe county have are that the commission ignored population trends. They have made rural ridings so large that even now, before the ridings come into being, they are over what will be the population maximum in the redistribution which is only five years or perhaps less than five years away.

Most of all, in Simcoe county we feel that the redistribution commission has ignored completely community interest. They have splintered parts of Simcoe county into ridings in which the people have no community of interest whatsoever. In addition to that they have ignored geographical features. All of these are things which, as expressed in the act, should be taken into consideration. They have ignored the geographic section of Georgian bay and have joined together municipalities on the extreme west side of the bay with those on the east side of the bay; and yet they do not seem to have realized there is no connecting transportation link between them. They have ignored ethnic groupings. In the north part of our county we have an ethnic grouping of a township and a town. This is a very long standing grouping, and yet the commission has seen fit in its wisdom to divide these into two ridings.

To be specific, I should like to say something about the shape and size of Simcoe. It is a county bordering on Georgian bay. It is bounded by the waters of Georgian bay on the north and west and then by bodies of water like lake Simcoe and lake Couchiching on the east. Generally speaking the only land connection with the rest of Ontario is to the south. Simcoe county too has an interesting population. For electoral purposes in 1961 it had a population of about 143,000, almost an ideal figure for two rural ridings. As a matter of fact, in a brief presented by the county council of the county of Simcoe in respect of dividing the riding into a south and a north division, it was indicated that a good division could be made with 68,000 in the north riding and some 73,000 population in the south.

The county within these general geographical limits is divided into five community groups. Barrie is the largest community, a city of 24,000, right in the centre of the county. Orillia is another community group in the north, and in addition there are Midland, Penetang and Alliston. There always has been a great deal of county pride and county cohesion. Having regard to the good grouping, the many people in the county and the many officials, elected and otherwise, were astounded to find that instead of dividing Simcoe county into two good sized ridings, what happened was that in the northeast we have one very large riding which has a population of some 83,000 already, before it is formed into an area, and with the rate of growth it will be over the maximum before the change is made.

The remaining part of the riding was splintered into three other counties with which there is no close grouping at all. For example the municipality of Cresswell which borders on Barrie, which is the chief trading centre of the whole county, is now in a riding whose population centre is in the towns of Aurora and Newmarket. Camp Borden is a large military camp about ten miles out of Barrie. The people at Camp Borden divide their community contacts chiefly between Alliston and Barrie, although Barrie being the larger probably has the greatest contact. The personnel of Camp Borden very substantially look to the local members in that area as their members of parliament even though they do not always vote in the riding. Yet we have Camp Borden being put in a riding whose centre is Brampton. I do not know how many miles away it is, but I know that very few of the people who ever are stationed in Camp Borden have anything to do in or any contact with the town of Brampton. Yet Camp Borden and three municipalities now are in that riding. The same obtains in York North with Innisfil and its municipalities.

On the other side of the riding we have the municipalities of Flos, Christian Islands and Tiny which have no connection and not even a direct highway link with Owen Sound, and they now find themselves in the proposed riding of Grey-Simcoe. Perhaps the young men who drew these maps, and who I suspect drew them without looking at anything except the population, think that communication between Christian Islands and Owen Sound can be by war canoe, because it is about 130 miles by road.

These divisions are bad. They are bad not only from the point of view of community interest, but they are going to be bad for representation, because people are best represented in parliament who have a community of interest and who have some cohesion within the groups. We now find ourselves linked in splinters with the county of North York, the county of Peel and the county of Grey, whereas before we had just Dufferin

and Simcoe which were one cohesive political entity. It is true this is not a political division. No one speaks of this in terms of party politics, because in any of the areas concerned I do not think there is any very strong party trend one way or the other. However, in these days when we tend to have people who are disinterested in politics generally, sort of tearing them apart in a community sense I suggest is asking for more disinterest on the part of the people.

Perhaps it will be said, how are you going to do it; if you divide Simcoe county into the north and south what is going to happen to the spillover? I say the Electoral Boundaries Commission made a serious mistake, and that they should have given more consideration to the population trend. They should not have just looked at the 1951 and 1961 census and said, there is the trend. They should look at the trend today. In many instances suburban ridings should have been left toward the low end of the population level as required under the act, because the suburban ridings on the edges of cities are the rapidly growing ridings and are the places which will be affected most by the redistribution. There should have been room allowed for expansion in those ridings and room allowed to shift, because they will have to be changed anyway.

• (9:10 p.m.)

It is quite proper for a riding in the centre of a city to have the maximum population allowed because it will not have to be changed during the next redistribution, but a riding such as North York and the new one named Peel South, which will incorporate a part of Simcoe North and Dufferin counties, should have been left at the lower end of the population scale, because by 1971 they will have grown to such an extent they will have to be divided into two ridings. Had they been left with the lowest possible population they could have been changed in 1961 without the massive dislocation that this redistribution is causing. I think this could and should have been done, and I think that the commission acted in a very arbitrary and shortsighted way in only looking at the population figures for 1951 and 1961, without giving consideration to geographic features, ethnic groupings and other matters of interest.

I do not think any great delay would be occasioned if the commission did give these matters serious reconsideration, and I am sure we would end up with many more Canadians vitally interested and concerned with politics at the riding level. I am sure we would also have ridings designed in a better way.

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, it is hard for me to approach this subject tonight in an unemotional and logical fashion when I realize that if redistribution is carried forward as presently planned the riding of Kent as such will disappear. I am certain that those many distinguished gentlemen who have had the honour of representing the county of Kent through the years, could they look over my shoulder tonight and see this new map as placed before us, would feel the same way I feel.

I should like to draw the attention of the commission to the fact that the county of Kent is one of the oldest and most historical in upper Canada. This county has a history which extends back to the year 1615 and we have a comprehensive recorded history of the workings of that county from the year 1626.

In order to be absolutely fair in my consideration of the action that is contemplated I did my best to tour completely through this district and ascertain the feelings of the people in this regard. They felt that if something had to be done it ought to be done. I assured them that I felt the same way, and that in order to have our democratic system progress, as we all wish it to do, following the policy of adequate representation, whenever there was an imbalance the necessary steps should be taken to correct it.

In touring this county I ascertained that the citizens are becoming somewhat impatient. Since the year 1867 the county of Kent has sent a representative to the House of Commons in Canada. When redistribution took place in 1903 the county of Kent was divided into East Kent and West Kent. When redistribution took place in 1914 East and Weat Kent were joined together as the county of Kent. From 1914 to 1965 the representative from that county has represented the entire county. Citizens of that area are now faced once again with a division of their favourite county.

Not only are the citizens faced once more with a division of the county, but they are faced with the disappearance of this designation of Kent as a riding in the province of Ontario. They are shocked and cannot understand why these two parts are to be renamed as Lambton-Kent and Essex, or why Kent is not used as the prefix of one or the other. Certainly if the renaming is justifiable, because of the size of the population, or for

alphabetical reasons, it is reasonable that the prefix "Kent" should be used in the designation of one of the new ridings. I support the citizens of the county of Kent in that view.

I wish personally to thank the commission for its early compliance with a representation which asked that the town of Tilbury be included as part of the riding which was formerly the county of Kent. The first map proposed placed the town of Tilbury in the Essex riding. Originally the town of Tilbury was located right on the border between the two counties. Representatives of that county have been of the opinion that since they have always been represented by the member for Kent they should continue to be so represented. I am very pleased, as are the citizens, that the new map has been drawn in such a way that Tilbury will once again fall within that part of the county of Kent.

I have always found the citizens of Kent to be reasonable, and accept with very little objection anything that they deem to be for the benefit of this country of ours, even though perhaps objectionable to themselves. However, at this time they fail to understand the necessity for dividing Kent. They feel that the city of Chatham, which lies almost in the centre of the county itself, and is in every respect the capital of that fair county, should have been considered as the focal point of any new riding created in that area. They feel that because of the development and growth of industry and population in that part of southwestern Ontario lying between lake St. Clair and lake Erie, the provisions set out in the present map will have to be changed when a new census is taken.

The people of that area feel very fortunate in that there is a close association between the cities in southern Ontario, including Sarnia, St. Thomas, Chatham and Windsor. In every case, except in respect of the division of the county of Kent, these cities were used as the focal points of the new ridings. The city of Chatham is located on the boundary line of the new riding of Kent-Essex. Just within the borders are located the towns of Tilbury and Kingsville. These are very fast growing towns. Leamington is also in this county, and it has almost reached the status of a city. It can be clearly seen that once a new census is taken consideration will have to be given as to whether or not these boundary lines will have to be changed again.

As I stated earlier my recommendations to the commission are made in as logical a manner as possible, and not on the basis of my disappointment because of the disappearance of the riding. I have tried to point out what I feel are the justifiable changes in that area. It certainly was a shock to the citizens of the county of Kent when they found that the townships of Dover, Chatham, Orford, Howard and Harwich were added to the county of Lambton, with the city of Chatham being left in the riding of Kent-Essex. The townships of Raleigh, Tilbury East, Romney and Wheatley added the three townships in Essex county to form a new riding. Certainly they felt that the riding as it was before redistribution, with about 71,500 registered voters, was almost ideal and that the boundaries would be left as they were.

• (9:20 p.m.)

I think this in itself was the most striking feature in the news of the new map, so far as the citizens of the area were concerned. They felt that since they did comply in nearly every respect with what might be considered the optimum riding, with the boundaries following very closely county lines, lying between two lakes, Lake St. Clair in the northwest and Lake Erie in the south, and having the city of Chatham at its centre, which is the natural focal point for all business and social life in that particular area, and with the ideal number of 71,500 registered voters, redistribution would not touch them in any respect.

However, Mr. Speaker, they are facing this very philosophically. They feel that if it must come, and if it is for the benefit of the country, they will accept it. But they do request that the commission look once again at this very important matter to see whether the ridings could be drawn in such a way in this part of Ontario so as to mean that Chatham could once again be the central point, which logically one would expect it to be, for the riding. The people of the area also ask that the name Kent county be retained. Failing to do this, may I respectfully request that the commission—and I know their task has been an unpopular and difficult one—give every consideration to the representation made on behalf of the citizens of Kent county that the name Kent, which is so dear to the people in the area, and which has served Canada so well in its history in every respect, be retained at least as the prefix of one of the new ridings.

Mr. J. B. Morison (Wentworth): Mr. Speaker, I had not intended to enter this debate, but do so for three reasons. The first

reason is that the chairman of the commission said, as reported in the Toronto *Star* of January 20, 1965, that many of the ridings will have to be redrawn in 1972 when the next federal election is scheduled, and the people who do the job in 1972 will have a difficult time of it again. In view of the electoral boundaries of Halton-Wentworth I believe I may be able to offer an alternative solution which will mean that in 1972 these people will not have such a difficult time.

The second reason is that the electoral boundaries fixed for the provincial riding have already been changed after representation in the provincial house, and I believe that if there were factors influencing the change at that time, they should again be emphasized so that a change may be made in the proposed federal riding of Halton-Wentworth.

Third, the people of Ancaster have shown such concern that I should also like to speak on their behalf for just a minute. I might at this point add that the chairman mentioned that about 200 briefs were placed before the commission last June and about 70 of them were purely formal. The municipality of Ancaster admitted that the brief they placed before the commission at that time was of a purely formal nature. At no time did they have any idea that they would not be included in the Hamilton metro area, so on a false assumption they presented a rather formal brief, which they now realize may have been a mistake.

The terms of reference laid down for the Electoral Boundaries Commission were, of course, to limit the population to 70,000, with a 25 per cent tolerance figure, or a total of 87,000 in any one riding. Further, the commission were to take into consideration existing sociological and geographical connections within the various ridings. It is with regard to the sociological relationship that Ancaster has with the rest of the Hamilton metro area that I should like to speak.

Ancaster is an integral part of the county of Wentworth. They share administered services such as health and welfare, the administration of justice, the Hamilton-Wentworth S burban Roads Commission, the Hamilton-Wentworth Planning Area Board, the Mutual Aid Fire Services Association, the joint county library system and the county assessment system commencing January, 1967, to name only a few.

Those who reside in Ancaster township spend much of their daily life within the confines of Hamilton. Most of these people work in Hamilton, do their shopping in Hamilton, read the Hamilton daily papers, listen to the Hamilton radio stations, watch Hamilton television and go to Hamilton for their entertainment. The tradesmen who call on them come from Hamilton. Those who deliver oil, coal, milk and bread are Hamilton tradesmen. I believe that in future the Ancaster area will be included in the Hamilton area as annexation takes place.

Much as they would like to be kept in the Hamilton area as an integral or single unit, these people understand that because of the population figures in the area this is impossible. At the present time the Brantford riding has approximately 77,500 people; Hamilton-Mountain, 79,200; Halton-Wentworth, 73,100; Hamilton West, 79,700; Hamilton-Wentworth, 71,500; and Wellington, 68,600. The population of Ancaster township is approximately 16,500.

If we accept that it cannot as a township be included in any of the ridings I have mentioned, then let us look for an alternate solution that might carry on into the 1972 realignment of electoral boundaries. The alternate, which as I say is a second choice which might be considered, is as follows: First, by drawing a line from the township's northern boundary, southerly along Binkley's road, then along the line between lots 37 and 38 to the Jerseyville road, continuing southerly along Shaver's side road across highways No. 2 and 53 to Butter's road, and continuing southerly along Penny's road and Moffat road to the southwestern boundary of the township.

You will note that this forms an almost perfectly straight line across the township as a continuation of the dividing line between the federal ridings of Wellington and Halton-Wentworth to the north, and almost connecting to the dividing line between the federal ridings of Brantford and Hamilton-Wentworth to the south.

The population in this western portion of the township so created is estimated at approximately 3,400, and this part would remain in the federal riding of Brantford. The population of the Brantford riding would thereby be reduced to approximately 64,500, leaving them room to negotiate for the inclusion of their western area for which they originally asked. The residents of this part of the township do have at least some affinity with the Brantford area. Some of them work near Brantford, shop in Brantford, read the Brantford newspapers and are on Brantford

telephone exchanges, and there is no real dissatisfaction with the fact that they have been included in the Brantford riding.

• (9:30 p.m.)

Second, you take a line drawn from Shaver's sideroad along the new highway 403 right-of-way to the eastern boundary of the township of Ancaster at the Hamilton city limits, and you would further divide the township of federal electoral purposes. The population of the southeastern portion so created is estimated at approximately 3,000. This could be added to the federal riding of Hamilton Mountain. The population of Hamilton Mountain would thus be increased to approximately 82,000, which is still well within the 87,000 maximum permitted.

Highway 403, as proposed, makes a natural and logical boundary line. The township does not anticipate much development south of this highway because of the problems involved in providing municipal services once the highway construction is completed. I understand that there have been negotiations or it is expected this will be the first area of Ancaster township expropriated by Hamilton.

The population of the remaining northeastern portion of the township is estimated at approximately 10,000 people. This could be added to the federal riding of Halton-Wentworth. The population of Halton-Wentworth would thus be increased to approximately 83,000, which is also within the 87,000 maximum permitted.

This part of the township includes all of the primary development area, and the problems and the way of life here are very similar to the problems and way of life of the people of Dundas and Burlington, who are already included in the Hamilton-Wentworth riding. Our sociological and geographical ties with those areas, as well as with the city of Hamilton, would be maintained and protected.

The people of Ancaster are now part of a federal riding which is made up of these and other suburban areas. There is no objection or discontent. They will not lose their affinity with the city of Hamilton. They will remain represented by a member of parliament from the Hamilton area which, of course, they feel is of paramount importance.

I believe that the changes proposed by myself, and certainly the changes that have been requested by the residents of the area can be made very easily without affecting any other riding. The only change involved would be a change in the riding boundaries within the township of Ancaster, and this should not cause the commission any undue amount of difficulty. I ask, then, that the commission review the decision to add Ancaster township to Brant county, and that they look with some understanding on the recommendations that I have made, knowing that this work can be done without disturbing the electoral boundaries as laid down for the federal ridings, and also with the idea that if they look at the projected growth in the areas, they will find that in 1972 they have simplified the job for any future commission that may have to undertake this work.

Mr. R. A. Webb (Hastings-Frontenac): In rising to take part in this debate, Mr. Speaker, I do so with a very sad heart. I can certainly say that since the report and the new maps were published by the commission, my heart has been saddened. The commission has seen fit to eliminate and chop up the historic riding of Hastings-Frontenac. I want to remind the house that it was to this great riding our first settlers came to Canada, acquired land and helped to develop this great country. When I first presented the report and map published by the commission, someone said that had a father given his children a map of Canada and a pair of scissors and asked them to cut out a jig-saw puzzle that would be difficult to put together, they could not have done a better job than the commission did.

At the outset, I want to say that I agree with some of the members of the other place who have stated redistribution should have been handled by the senators. This could have been done at very little expense to our taxpayers, and I feel these men were much more competent to handle this duty than were the commissioners.

In so far as redistribution is concerned, Mr. Speaker, it occurs in Canada every ten years following the decennial census. Numerical equality is the basis upon which redistribution is planned. In order to ensure the continuity of political structures, however, the boundaries of electoral districts should be varied as little as is absolutely necessary. Redistribution, as it has been proposed by this commission, should it occur every ten years would mean the end of political organizations in this country. It is submitted that there has never been such a complete redistribution in this country as that which is now

proposed, not even in the days of the infamous gerrymandering.

It is not suggested that this redistribution is not necessary, but it is submitted that redistribution of this magnitude occurring every ten years would be a serious detriment to political organizations. It is therefore in the interests of preventing a recurring redistribution of this proportion that the commission should establish electoral boundaries which would enable the newly created electoral districts to accommodate expanding population with a minimum of operation of those boundaries. This commission cannot be expected to foresee the extent of the population increase that will occur in all areas of Ontario within the next quarter of a century. However, the drafting of electoral districts, taking into consideration the trend of the population expansion that has been experienced during the past quarter century, could do a great deal in helping to alleviate the need for substantial redistributions during the next quarter century.

Experience has shown also that population expansion in eastern Ontario, with the exception of certain areas, has been greatest along the north shore of lake Ontario. It is submitted therefore that the electoral districts fronting on lake Ontario should be organized to allow for expected continuing expansion. It is noted also that in the proposed redistribution, the electoral district with the greatest population will be York-Scarborough with a population of some 80,000. The electoral district with the least population will be Thunder Bay with a population of some 53,000. Along the lake front east of metropolitan Toronto the constituencies and their populations are as follows: Ontario riding, 63,432; Oshawa, 79,240; Northumberland-Durham, 62,912; Prince Edward-Hastings, 69,692; Kingston and The Islands, 79,838; Leeds, 62,656.

• (9:40 p.m.)

To the north of these constituencies lie the ridings which reach into the hinterland of Ontario which, with their populations, are: Victoria-Haliburton, 55,055; Hastings, 60,454; Frontenac-Addington, 55,638; Renfrew-Lanark, 55,418. Omitted from this list is Peterborough with a population of 70,422. These ridings along the lakefront should be distributed so that the proposed population will be reduced to nearer the minimum, and the population directed into the ridings to the north. This will enable the expected expansion of population to bring the lakefront electoral districts into numerical equality of representation without the need for boundary alteration.

Under the now proposed redistribution the townships of Belmont and Methuen and the village of Havelock will be included in the constituency of Victoria-Haliburton. Havelock is situated on provincial highway No. 7 east of the city of Peterborough and 52 miles from the town of Lindsay, which is the major population centre for the riding of Victoria-Haliburton.

There is no road connecting Havelock with the rest of the riding other than one to the north, and this road is really not a very good road. To reach Lindsay, the residents of Havelock and the township must travel through the proposed riding of Peterborough. Likewise, the sitting member for Victoria-Haliburton, to reach his constituents in Belmont and Methuen and Havelock, would have to drive right through the riding of Peterborough. Also, the residents of Havelock have no community of interest with Lindsay. They are attracted to Peterborough for economic, social and cultural purposes. It is submitted that the townships of Belmont and Methuen and the village of Havelock should form a part of the proposed riding of Peterborough.

For years now these two townships and the village of Havelock have formed part of Peterborough county. Under the new set-up for the Ontario provincial ridings they will remain part of Peterborough riding. The towns are six miles apart and their churches are served by the same priests or ministers. They have the same schoolboards, the same health units, the same county councils, which I think is very important to consider, Mr. Speaker.

We who made representations in Toronto to the commission and pointed out the necessity for having these two townships of Belmont and Methuen, and Havelock, put into the riding of Peterborough, left the meeting very satisfied that the judge and the commission had concurred in our proposition. We were really astounded when we found out that this was not true.

I should mention here that I hope the commission will really show some interest in these representations. Anybody looking at a map of the area would realize that this is the proper thing to do. What bothers me most is that I learned that the riding of the Prime Minister (Mr. Pearson) was cut up, but when

the top brass or those in authority made representations it was changed back again. I think that some of the other ridings should also be changed back.

In summarizing, Mr. Speaker, I should just like to make a few points. Democratic government is dependant upon effective political parties. To be effective, political parties require organization. Political organization requires consistent geographical units based on community of interest and population centres. In establishing the electoral district boundaries, not only should numerical factors be taken into consideration; geographical factors must be considered to enable the elected representative effectively to represent his constituency and to encourage the citizens to become involved in political activity in their areas. Reducing the population in those areas in which expansion is expected to be greatest will allow expansion without the need of alteration of electoral boundaries, thereby preventing a disruption of political organization.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to address myself for a few minutes to Annex "R" of the resolution we are considering, which relates to redistribution in northern Ontario ridings. In view of the fact that our party has no member at the moment in northern Ontario, I have been asked to make representations in connection with certain parts of that area.

I have to begin by admitting, Mr. Speaker, that the magnitude of the problem facing the commission in this area is a considerable one. The legislation has placed a minimum of 53,150 population for any one riding. It takes a lot of juggling to fit a dozen constituencies into this far-flung area, with its sparse population.

It must also be admitted that the commission met some of the objections to its original plan and has made quite a few changes from the proposition which was published in the *Canada Gazette*. However, there are still some real anomalies which should be corrected; and I believe there is general agreement that these anomalies need to be corrected.

I should like to mention first the riding of Thunder Bay, which is a monstrosity second only to the proposed riding of Cochrane. The size, shape and diversity of Thunder Bay makes it almost impossible to represent in any real sense. The situation of the community of Dryden is typical of the problem but serious enough to be reconsidered. Sioux Lookout, Dryden and Kenora have a community of interest. Dryden is situated between Sioux Lookout and Kenora. Yet Dryden is in Thunder Bay, in the same riding as White River, some 435 miles to the east, while Sioux Lookout and Kenora are located in the Kenora-Rainy River riding. It seems obvious, Mr. Speaker, that Dryden should be included with the other two communities and that Thunder Bay should be reduced in size and rearranged accordingly.

The second riding I should like to mention is that of Cochrane. I note there is also a presentation in connection with this riding. My remarks are very much along the line of presentations made. The central population area of this riding is Kapuskasing, Hearst and Cochrane. It is assumed that this would be the point of operations for most political parties.

I need hardly go through the difficulties of representing the riding as it is now redrawn. Road and rail do not combine in any reasonable way to provide access from one part to the other. I think the two communities at the south of Wawa and Chapleau are best examples. The community of Wawa is naturally connected with the "Soo", now that the Trans-Canada highway joins it. It has nothing in common with the remainder of the riding of Cochrane, particularly with Kapuskasing. Chapleau is in a similar situation. You have to travel through the Timmins riding back to Kapuskasing for any central connection. Five miles out of the city of Sault Ste. Marie, on lake Superior, you are in the same riding as Moosonee, on James Bay, many hundreds of miles away.

• (9:50 p.m.)

The city of Sault Ste. Marie is the economic, business and social centre of a very large area northerly and southerly along lake Superior, and easterly inland. Yet, we find this rapidly growing city and the adjacent township of Prince formed into a single riding, while immediately to the north the area is in Cochrane, and to the south and east in Algoma.

As I said, Sault Ste. Marie is growing rapidly and the population figures of 1961 are already far outgrown. With its surrounding and supporting area, and its wide sphere of influence in Wawa, White River, Chapleau and Thessalon, it could easily form the nucleus for two federal ridings, either now or at some time in the immediate figure. In any case that part of Cochrane which lies south of a line drawn east and west through Timmins

should be detached from Cochrane and included elsewhere.

That, Mr. Speaker, summarizes the presentation I wished to make. I know that hon. members who presently represent these ridings will be speaking in connection with another resolution, and I think that what I have said tonight is not far removed from what they themselves will present.

In connection with the riding of Parry Sound-Muskoka which I represent, I am in the happy position of having no objection to the boundaries as presently outlined. I shall be sorry to lose Algonquin park but happy to have the area of Baxter township, which will balance the loss.

One thing that has been overlooked which should be corrected, if anybody reads this comment that I am making, and I sometimes wonder whether it will be read and how much attention will be given to it, is that the riding of Parry Sound-Muskoka will include the Georgian Bay Islands National Park. I think that the commission has overlooked the fact that the famous Flower Pot Island at the tip of the Bruce peninsula is part of this park

It should not be included in the riding of Parry Sound-Muskoka because including it would disfranchise anyone who now or in the future would reside on this island. The designation of the riding should except Flower Pot Island in the Georgian Bay national Park.

Those are the comments I wish to make. I hope that the commission will look seriously at the objections that have been raised, because if it does we can have much better constituency maps than have been devised at the moment.

Mr. A. D. Hales (Wellington South): Mr. Speaker, it is no perfunctory duty that I rise to perform in bringing to the attention of the Electoral Boundaries Commission some objections respecting that great metropolitan area of Toronto in which there are 22 ridings, and in which, I am sorry to say, we have no Conservative member to represent the people.

I consider it a great honour and privilege to be asked to make these few remarks, and I can assure you that this is the last time that I or anyone else will have to pinch hit for this great area, in connection with this particular problem of redistribution.

Before I proceed to speak about the metropolitan area of Toronto I should like to make one or two brief remarks about the changes which have occurred in my own riding of Wellington South. First of all, we are happy that the name of Wellington has been retained. We have dropped the word "south" and we are sorry to lose the townships of Erin and Pilkington, as well as Erin village and Elora village. We are also happy that the commission paid attention to the recommendation we made to it, in that we felt that the township of Dumfries would be much better in the riding of Brantford, and this is where it is remaining. I am sure that the people in both ridings will be very satisfied.

The hon. member for Halton mentioned that Nassagaweya township should remain there, and I am sure that the inhabitants would be slightly more at home in the Halton riding because of the Burlington area being their shopping centre. For this reason and others we have no objections to them staying in Halton. I think that we could exchange the people at the north end of Halton, Erin township, because I think they would be happier to stay in Wellington. As the hon. member representing the riding I say that I am sorry to lose the ones we are losing and happy to receive those who are coming into the riding.

My remarks about Toronto, of course, Mr. Speaker, will be brief as I am sure the hon. members of this house would not expect me to be as familiar with the electoral district of metropolitan Toronto as someone who lived in that area. My observations are based on the findings and recommendations from meetings that have been held there by Conservative candidates and Conservative associations in the ridings. There are 22 ridings in this great area of almost 2 million people. I think that the commission has done a reasonably good job in dividing it up into ridings.

With respect to the riding of Scarborough East, the objection is with respect to the westerly boundary of the proposed riding. The area bounded by Ellesmere road, Markham, Lawrence avenue east and McCowans Road should be put into Scarborough East, and an area comparable in size should be put into Scarborough West.

With respect to the Scarborough West riding, the objection is to the easterly and northerly boundaries. In connection with York-Scarborough, the objection of the committee in this area is to the easterly and northerly boundaries of the proposed riding. In York East the objection is to the northerly and westerly boundaries of the proposed riding. The western boundary should follow the

Don river boundary as much as possible. In the Greenwood and Broadview ridings the objections are chiefly about the boundary lines.

In Rosedale the objection would seem to be twofold. The first objection is to the southerly boundary of the riding, and specifically to the important waterfront area which, in the committee's view, should be kept in one unit. Second, objection is taken to the name, as they feel Rosedale is only one small residential area in what is otherwise a large riding. They feel that this name should be changed to St. Paul's riding, as there is a considerable historical association with that name in this general area.

Similarly, in Trinity and Davenport the objections are chiefly directed to the boundaries. The same objections apply to Parkdale. The hon. member for High Park (Mr. Cameron) apparently objects to the name. The objection with respect to the Humber-Valley riding is to the northern and western boundaries, for geographic reasons.

I wish I had time to enlarge upon some of these, but time is running out, and I can just mention some of the objections in relation to the various boundaries. In the Etobicoke area the objection is a little more pronounced. Here the committee feels that that portion of the proposed electoral district of Etobicoke which lies east of the Humber river should not be included in Etobicoke, for the following reasons. The first is that the Humber river is a natural boundary which for many years has served as the dividing line between the ridings of York West and York Centre.

• (10:00 p.m.)

The rate of growth of population in the new riding of Etobicoke as well as in the northwest has surged ahead quickly, with the result that it will soon be much larger than it is at present. It would therefore appear that there is no need for territory east of the Humber river to be included in Etobicoke. The area east of the Humber lies outside the municipality of Etobicoke. The result is that these people are not traditionally associated with municipal or other public affairs west of the Humber.

The proposed electoral district to be named Etobicoke should be named York West, and the proposed electoral district of York West should be called Etobicoke. This would make the names of the two ridings similar to those of the geographical or provincial constituencies, avoiding confusion in the minds of voters when federal or provincial elections are held.

In York South, no great objection arises. In Eglinton the objection is to the westerly and northerly boundaries of the proposed riding. The dividing of such a long established community as Eglinton, which has maintained its identity both as ward 9 in the city of Toronto and as a provincial and federal riding for many years, is regretted, and we ask for the reconsideration of this division if possible.

In the case of the other ridings, the objections are chiefly to the boundaries which have been proposed. Generally speaking, I would say the commission has done a reasonably good job. Its task was not easy. Constituencies would have been happier had the commission not disregarded historical factors and municipal divisions. Boundaries should have followed more closely natural divisions such as the Humber river, the Don river and Highway 401, now known as the Macdonald-Cartier Highway.

Wherever possible the commission should take a second look so that municipal, provincial and federal representatives serve the same area. For example the riding of North York should not intrude into the boundary of the metro Toronto system. The electoral district of North York has had a history of over 70 years as a political unit. Bringing it south into metro Toronto will create a clash of interest in the representation of each riding.

I will conclude by saying, as I said at the beginning, that the commission has done reasonably good work in dividing into 22 ridings such a large area containing almost 2 million people. If the commission would like to receive any further suggestions or assistance in this matter I am sure the members of the Conservative party and of the Conservative associations in the great metropolitan area of Toronto would be only too happy to offer suggestions and recommendations.

It has been a pleasure and an honour for me to say these few words in connection with the great city of Toronto as well as on behalf of my own riding of Wellington South and I can assure you, Mr. Speaker, that we will not have a pinch hitter again, but elected members.

Mr. J. E. Madill (Dufferin-Simcoe): I might say at the outset that my riding has been carved up more than most. At present it contains all the county of Dufferin and six townships in the south part of the county of

Simcoe. Two thirds of the population is in the Simcoe end of the riding. Its area is about 30 miles by 40 miles and it has been carved into. Four townships have been taken from the county of Dufferin and added to Wellington county, and three of the more heavily populated townships have been taken from Simcoe county and added to York county.

Simcoe county is one of the five largest governing bodies in Canada, with a population of roughly 140,000 people. It is losing its identity. It is called Peel-Dufferin, whereas it should be Peel-Dufferin-Simcoe because it still retains three townships of Simcoe county. It is extended to about 60 miles in length and narrowed to about 18 miles. I see no mention of the town of Brampton whatsoever in the description, and this is one of the towns which has one of the fastest growth rates in the area, having grown since the war from 7,500 to 35,000 people. It is adjacent to the area of metropolitan Toronto, and in the next ten years with the present rate of growth, it could be part of the metropolitan Toronto area. The growth from the metropolitan area is lateral rather than vertical. I cannot see why this part was added to York when it should have been retained. Camp Borden is left in the riding. It has a population I think of 11,000 and actually about two-thirds of its population votes in the riding in which it presently is situated.

Under the normal situation, with a tolerance of 25 per cent, there was adequate population in Dufferin-Simcoe, with 57,000 people, while the new riding is described as having a population of only 55,050. With the depressed area to the north of us, I do not think the growth is expected to be great in the very near future. Within five years I think all these three ridings will have reached the prescribed population, even without the tolerance being used.

There are two things I should mention. I do not understand why we have to extend the area so far south, because there is no relationship whatsoever between the town of Brampton and the city of Barrie, and the riding as it exists now takes in a small portion of Barrie. There are three county councils, those of the county of Peel, the county of Dufferin, and the county of Simcoe. They are going to have three county councils in the future instead of two.

As the hour is getting late and as I know it is the hope that we will finish this, I will conclude with these remarks. I have registered my objection, and I hope the commission will see fit to readjust this particular area more in line with the way it presently stands.

Mr. Bell (Carleton): Mr. Speaker, perhaps this should be described as a question of privilege. I think the last speaker from this side of the house on this particular subject has spoken. On the other hand, in the light of what the house leader said earlier today, I did give assurance to the hon. member for Simcoe East (Mr. Rynard) that he might go to fulfil a very important engagement this evening. Therefore he is not here and he does wish at some stage to make some presentation. I am not asking that this be left open, but perhaps at some stage before this is closed completely it might by unanimous consent be agreed that the hon. member for Simcoe East might speak for perhaps ten minutes.

Mr. McIlraith: That is quite agreeable, Mr. Speaker, so far as I am concerned. I would ask that we proceed to finish the Ontario motions, however, tonight.

Mr. Bell (Carleton): Yes, indeed; I agree with that.

The Acting Speaker (Mr. Rinfret): Is it agreed that we proceed to complete the discussion of the objections in respect of the province of Ontario.

Some hon. Members: Agreed.

• (10:10 p.m.)

Mr. Deputy Speaker: Order. I am not sure as to the procedure the house wishes to follow. Is it the intention of the house to conclude the discussion on objection No. 7 and then proceed to No. 9?

Mr. McIlraith: Yes, Mr. Speaker.

Mr. Deputy Speaker: Do I understand that the discussion on No. 7 is now completed?

Mr. Bell (Carleton): Yes, Mr. Speaker, subject to what I have said about an opportunity being given to the hon. member for Simcoe East (Mr. Rynard) to speak on another occasion.

Mr. Deputy Speaker: The Chair is having some degree of difficulty in deciding what should be done. If we terminate the discussion on objection No. 7 I should like to know the procedure by which we are going to return to it.

Mr. McIlraith: If it will help, Mr. Speaker, perhaps we can leave objection No. 7 open. The suggestion agreed to earlier was that we close the discussion at this point and allow the hon. member for Simcoe East to speak for a period of ten minutes on another occasion when he is in the house.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The house having considered this objection, it will be the duty of Mr. Speaker, pursuant to Section 20 of the Electoral Boundaries Readjustment Act, to refer the report of the Boundaries Commission, together with a copy of the objection and also a copy of the debates of the house, back to the commission for reconsideration thereof.

The house will now proceed to objection No. 9, the context of which is to be found at page 19 of the pamphlet.

The objection in the form of a motion is as follows:

That, pursuant to Section 20 of the Electoral Boundaries Readjustment Act (Chapter 31, Statutes of Canada 1964-65), consideration be given by this house to the matter of an objection to the provisions of the report of the Electoral Boundaries commission for the province of Ontario, laid before this house by Mr. Speaker on Wednesday, January 19, 1966, for the reasons hereinafter specified:

(a) It is unnatural and impractical to have Cochrane riding separated by Timmins riding thus dividing the riding into two and having to travel the width of the Timmins riding to reach the other half of Cochrane riding.

(b) The proposed riding would be very difficult to traverse because of circuitous road and railway systems that wind around the perimeter of the riding rather than bisect same as is normal. Because of the difficulty and expense of traversing the area, there is no real rapport or similarity between the two areas (Cochrane riding as it previously existed and the additional area west of the Timmins riding extending to Lake Superior).

(c) In order to accomplish the population requirement, sufficient territory could be included along highway No. 11 south of Cochrane. This would not affect the land geography of the Timmins riding. As the railway follows Highway No. 11, this has been the natural means of population settlement and over the years people along this route have associated together in various organizations such: Northeastern Ontario Municipal Association, Zone 6 of Northeastern Ontario Development Association, James Bay Frontier Association, etc. There has been no connection in any way with the people in the vicinity of Wawa, Lake Superior, etc.

[*Translation*]

Mr. J.-A. Habel (Cochrane): Mr. Speaker, may I first thank the hon. member for Parry Sound-Muskoka (Mr. Aiken) for his remarks on the riding I represent. I can assure him that tonight I am not speaking as a Liberal member but as a representative of the people of my riding, Liberals, Conservatives, New Democrats and even Social Crediters.

In fact, some of the documents accompanying the brief to the Redistribution Commission come from Conservatives, New Democrats as well as Liberals.

In June last, I told the commission representations would be made. In North Bay, some time in September 1965, I presented a brief explaining the reasons for the objections. I wish to point out that the Conservative member, Mr. Moore, was there, and that he approved that brief in its entirety.

The first objection is based mainly on lack of communications, or difficult communications. The house may be interested to hear, and I trust the commission will note, that from the Northeast corner of the riding of Cochrane to the southwest corner there is a distance of 480 miles as the crow flies, which is no mean distance, for it is almost half the distance across the province. Before giving my arguments, I should beg leave of the house to place on *Hansard* a table giving the distances between various points in the riding; I would then not have to read it.

[*English*]

Mr. Deputy Speaker: Does the house give its unanimous consent that the table referred to by the hon. member be included in *Hansard*?

Some hon. Members: Agreed.

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

By Highways

(1)	From Cochrane to North Bay—hwy. no. 11	272	
	North Bay to Soo—hwy. no. 17	275	
	Sault Ste. Marie to Wawa—hwy. no. 17	144	
			691 miles
(2)	From Cochrane to Chapleau		
	Cochrane to Timmins—hwy. no. 11	76	
	Timmins to Chapleau—hwy. no. 101	160	
			216 miles
(3)	From Kapuskasing to Wawa		
	Kapuskasing to North Bay—hwy. no. 11	352	
	North Bay to Soo—hwy. no. 17	275	
	Sault Ste. Marie to Wawa—hwy. no. 17	144	
			771 miles

Redistribution

By Railways

(4) From Hearst to Wawa by A.C.R.		
Hearst to Frantz	136	
Frantz to Wawa	70	
		206 miles
(5) From Cochrane to Wawa		
Cochrane to Hearst—C.N.R.	128	
Hearst to Frantz—A.C.R.	136	
Frantz to Wawa—A.C.R.	20	
		284 miles

[*Translation*]

Mr. Habel: A little earlier, as a matter of fact, I heard an hon. member say that to get to a certain riding, the candidate or the member will have to cross another riding. In the case of the riding of Cochrane, it is a fact that any member representing it or any candidate there will have to cross the riding of Timmins from east to west on account of the new boundaries. The candidates in the ridings of Timmins will have to invade the southeastern section of the riding of Cochrane and, I wish to add, in passing, that I would see with regret, not so much for myself as for those who will come after me, the disappearance, because of those new boundaries, of the friendship which has always existed in the southeastern corner of the riding of Cochrane.

Communications are so difficult that I am wondering if it would not have been advantageous for the boundaries commission to ask one of its members, for instance, to go through the riding to find out how difficult communications are. Besides, it is impossible to reach the northern section of the riding except by air. With the new boundaries, I think that the candidates will have to buy a helicopter, because otherwise I fail to see any possibility of waging an election campaign in a riding as far-flung as the one I described a little earlier; indeed, it is almost funny to look at the map and see the cuts which have been made and the numerous passages which have been provided to take us to lake Superior.

This means that in the riding of Cochrane the most northerly poll would be at Hudson's Bay and the most southerly at lake Superior. If you look at the map, you will see that, in fact, it is an area which covers half the province of Ontario.

There is also the difference in community needs between the proposed southwestern section and the old riding, as well as the difference in industries. As a matter of fact,

[Mr. Deputy Speaker.]

in the southwestern section of the riding—and my hon. colleague from Sault Ste. Marie will have the opportunity to talk about it —trade and labour relations and others are directed towards Sault Ste. Marie rather than Cochrane-Kapuskasing.

I must thank the chief whip of the opposition (Mr. Winkler), who also referred tonight to the new proposed boundaries for the riding of Cochrane.

Parliament, where the different political parties are represented, decided through legislation, to withdraw the question of the establishment of boundaries from political interference, but this was done in the hope that the commission appointed for this purpose would consider all disadvantageous aspects and would define the new boundaries on the basis of the population within the new boundaries.

I hope that the commission will, in all fairness, take into account the resolutions which were sent to me by municipalities, chambers of commerce, as well as labour unions, supporting the brief I submitted to the commission on September 7, 1965.

Mr. Speaker, rather than drawing out my speech, I would ask unanimous consent of the house to place on the record the resolutions I received from the municipalities, chambers of commerce and labour unions, namely the resolutions of the town of Cochrane, the Kapuskasing labour council, the municipality of Michipicoten, the corporation of Shackleton and Machin townships, the corporation of the town of Hearst, the corporation of the township of Fauquier, the corporation of the town of Kapuskasing, the Kapuskasing chamber of commerce, the corporation of the town of Smooth Rock Falls, the chamber of commerce of Smooth Rock Falls and the Cochrane chamber of commerce.

If the house gives unanimous consent, I shall refer these documents to whom it may concern so that they be printed in *Hansard* and this will be my speech.

• (10:20 p.m.)

[*English*]

The Acting Speaker (Mr. Rinfret): Is it agreed by the house that these remarks be printed in *Hansard*?

Mr. Aiken: Are they to be an appendix to *Hansard* or does the hon. member ask that they be included in his remarks?

Mr. Habel: I think they should be included in my remarks tonight, otherwise I would read them into the record.

The Acting Speaker (Mr. Rinfret): Is it agreed that they should be included in the remarks of the hon. member for Cochrane?

Some hon. Members: Agreed.

[*Editor's note: The documents referred to above have been deposited with the Clerk for transmission by Mr. Speaker to the representation commissioner.*]

[*Translation*]

Mr. Habel: In the circumstances, I will simply ask the commission to reconsider the brief I submitted on September 7 last, on behalf of the municipalities, the chambers of commerce and other public bodies. It is true that I was alone at the sitting with the Conservative candidate in the riding, but the brief represented the discussions I had held with the various public bodies and I hope that the Electoral Boundaries Commission will accomplish in the design of the new boundaries of Cochrane riding what the provincial commission did concerning the boundaries of the riding for the Ontario legislature.

The commission, made up practically of the same members, recognized the lack of communications in the north of the riding of Cochrane and agreed to retain the boundaries in force before the question of redistribution arose.

I would not ask that much, because I am aware that there are quotas of population that must be added in order to balance the number of voters. But I believe justice would be done toward the population of the riding of Cochrane if the suggestions I submitted to the commission were to be accepted as they were by my hon. friend, the member for Timmins (Mr. Martin) who had also given me assurance of his support on this request.

I must admit that if the new boundaries had to be accepted, it would become just as difficult for the member to contact the population as for the population to contact the member.

Mr. Speaker, the remarks I made tonight do not reflect parochial views, even less my personal interest, because I am not, like some members, haunted by the ambition to remain a member until the age of 85 and I would feel very, very sorry for my successors if they were required to campaign in a riding such as the commission has designed.

I am asking very sincerely and humbly the commission to kindly reconsider the brief and to study the evidence in support thereof. In this way, I feel, the commissioners will realize that the brief gives a true picture of the views of the people it is my privilege to represent in the house, whether they are Conservative, New Democrat, Social Credit and also Liberal sympathizers.

[*English*]

Mr. G. E. Nixon (Algoma West): Mr. Speaker, I rise at this time to support my colleague the hon. member for Cochrane (Mr. Habel) and to present as briefly as I can the objections raised by some considerable number of my constituents with regard to certain proposed changes in the electoral district of Algoma West which it has been my privilege to represent in this house for the past 26 years.

The objection, in brief, is to the cutting off of the township of Michipicoten from Algoma West and annexing it to Cochrane riding. This is most impractical because of the almost insurmountable difficulties in travel and communication between the Michipicoten area and the Cochrane riding.

I think this is plainly shown when we realize that to drive by car from Kapuskasing, the seat of the member in Cochrane riding, to Wawa, whether it be via North Bay to the east or by Nipigon to the west, the distance would be approximately 700 miles either way. To travel by rail, even without considering the inconvenience of delays due to train connections, the distance would be about 300 miles. Compared with the foregoing, between Wawa and Sault Ste. Marie, a distance of approximately 140 miles, there is a daily bus service over the Trans-Canada highway.

The population of Michipicoten township, according to the 1961 census is 4,439. In Wawa, the largest community centre in Michipicoten township, the main source of employment is iron ore mining. It is the site of the Algoma Ore Properties, a subsidiary of the Algoma Steel Company of Sault Ste. Marie. The interests of these people are tied completely with Sault Ste. Marie, and to support this I would like to quote from a representation make by the reeve of Michipicoten township:

> Until highway No. 17 was opened to the north of Lake Superior, we, in this mining area, lived in isolation. Then, as now, our ties were with Sault Ste. Marie. Economically, socially and politically, we are tied with Sault Ste. Marie. We wish to

register our objections, in the strongest terms to block this move to return us to isolation—political isolation.

We speak for nearly 5,000 who inhabit this progressive mining community and tourist area. We have no desire to become the backwoods fringe of any constituency.

J. H. Dann
Reeve, Municipality of Michipicoten.

I might add that all political parties in the area are in full support of this resolution.

Also I would like to put on record a resolution passed by the city of Sault Ste. Marie:

Whereas the township of Michipicoten has always had close ties with the city of Sault Ste. Marie, politically, economically—and,

Whereas the township has indicated their desire to remain in the riding of Algoma West,

Therefore, be it resolved that this council endorses their request and so advise our member, Mr. George Nixon, M.P.

G. H. Tolley
City Clerk

I have here another resolution from the Sault Ste. Marie Chamber of Commerce which reads as follows:

That, the Sault Ste. Marie, Ontario, and district chamber of commerce supports the township of Michipicoten in its effort to remain in the same federal riding at Sault Ste. Marie,

And further that the chamber of commerce objects to the riding of Cochrane being extended to take in the township of Michipicoten and territories south to the edge of the city of Sault Ste. Marie.

Wilfrid J. Hussey
Manager

• (10:30 p.m.)

I am sure we all sympathize with the difficult task which the Electoral Boundaries Commission have undertaken in trying to fulfil their objective of proportional representation. However, considering the distinctly different sources of these representations, it must be evident to everyone that the dissatisfaction with the new proposals is widespread and, bearing in mind that the township of Michipicoten in the changed provincial ridings is now included in the riding known as Algoma, I say this is further evidence that the area in question should be retained in the new federal riding of Sault Ste. Marie or in the new Algoma riding.

I fully support the requests as set out in the resolutions I have placed on record tonight and sincerely trust that the commission will give favourable consideration to them. Thank you, Mr. Speaker.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, in northern Ontario we have been concerned with the major fact that many of the outlying areas are finding themselves attached to a riding to which they have no connection. I am well aware that the job which faced the Electoral Boundaries Commission was difficult, and I think in the main that it has done a very good job. I think it is also true that in northern Ontario the commission may have failed to take into consideration the lines of communication which have been established. I particularly agree with the suggestions which have been made by the hon. member for Cochrane, who has a riding now stretching not only from James bay but from Hudson bay to lake Superior. I think everyone will realize that there are sections in this riding which have a much closer affinity with other areas than with the central area of the Cochrane riding.

It is a fact that we have established tolerances. It is a good thing, probably, that at the same time in northern Ontario the ridings have been balanced to within several thousand persons in each of them. I think none of us in northern Ontario will object if the problems which have been raised by the hon. member for Cochrane (Mr. Habel) and the hon. member for Algoma West (Mr. Nixon) are taken into consideration.

I think it is unreasonable that the areas lying on the outskirts of Sault Ste. Marie, and certainly either through radio participation or transportation systems, within the ambit of that centre, which unites them with Sault Ste. Marie, should belong to the far north and be attached to the ridings there.

Our interest in this matter is not a close one. I have had little connection with the people of most of that area, but I am aware of the fact that we have an obligation in northern Ontario to take into consideration the large distances involved in order to provide as good representation as is possible for all the constituents we may have.

I think an exception could be made in northern Ontario, without coming near the limits which have been laid down in the redistribution act, so as to take into consideration matters of transportation. I should like to draw attention to several areas. I would refer to the two towns of Bowden and Nordica west of Cochrane which come into the Timmins area. These are very small communities, which have been within the ambit of the Cochrane riding for a number of years, and which, because of transportation lines, would be connected with the Cochrane riding. Only a few miles to the other side of the riding would be needed to take in these towns.

There are no other towns in that area and there are not likely to be. I therefore suggest the boundary should be shifted to the east to take these towns into the Cochrane riding. I further suggest that at least the town of Foleyet and the other small communities on the Foleyet-Chapleau highway, to reach which the member representing Cochrane would have to leave the northern section of his riding, come through Timmins riding and pass through that riding, should remain in Timmins. Their total population is not more than a few thousand people.

We have an advantage in this area because we all use the same television station in Timmins. It already has five satellites. If this is used as one of the criteria, a great deal of northern Quebec would be included because several of these satellites are situated there. In view of these communications and transportation facilities I suggest a trade should be made of these two communities east of Cochrane in exchange for the Foleyet area, which must obviously be served by Timmins. Because there is a connecting road to Chapleau, I suggest this town, too, should be included in the Timmins riding.

I am sympathetic to the people in Jamestown and I hope an arrangement can be made whereby they can be included in the Algoma riding. If this cannot be done, there might be a readjustment of the northern boundaries of Sault Ste. Marie so as to include all those people who are normally connected with that community. If no other action can be taken, then I would ask that the boundaries of my riding be extended both in the north and in the south to Lake Superior. This would mean that the areas in close proximity to Sault Ste. Marie would be cut off from the Cochrane riding by my riding and would obviously have to be placed in another area. I am not offering very much by suggesting this. It is true I am adding some territory to my riding but as far as I know there are no people living in this region.

The suggestions made with regard to northern Ontario are truly non-partisan. All of us who represent ridings in northern Ontario are concerned about the new areas we are getting, not because we do not want them but because there will be a realignment of the communities in the new areas. This is inevitable. We should have liked things to remain as they were, because over the years people have developed attachments to their ridings. But that is not possible. I welcome the many communities which have been added to Timiskaming and I believe the changes I have recommended, and the changes recommended by the other members from Ontario which I have endorsed, will be in the interest of all. It is my hope they will bring the best representation possible to all who live in the constituencies concerned. As to Cochrane, any concession in northern Ontario will have to be made there, as well as, to some extent, in the Port Arthur area because the area is so vast that service is a difficult proposition at the present time.

• (10:40 p.m.)

In my opinion these suggestions will make some adjustment in the geographical sense rather than really change the population figures, with which I think most members are quite pleased and agree will bring a great deal more stability to the representation which can be provided. As the hon. member for Cochrane (Mr. Habel) mentioned, I know that the people who have sat on the commission in Ontario have been familiar with the problem as it has developed provincially and will be aware of the areas of which we speak. They may feel, because of this discussion, that some support should be given to the idea of the geographical changes, if only to re-establish the lines of communication which are normal, and in most cases possible only if certain small changes take place.

I certainly recommend these changes to the commission and hope they will give some consideration to them. I hope they also will know, when I make the suggestions in respect of the Timmins riding, that the people there are aware of the fact that in adding on these areas the responsibility is increasing and they are willing to shoulder that responsibility for the purpose of providing better representation for the individuals who are being dislocated in this redistribution.

The Acting Speaker (Mr. Rinfret): Is it the wish of the house that this may conclude objection No. 9 concerning the constituency of Cochrane.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): The house having considered this objection, it is the Speaker's duty pursuant to section 20 of the Electoral Boundaries Readjustment Act, to refer the report of the Boundaries Commission together with a copy of the objection and also a copy of the debates of the house

back to the commission for consideration thereof.

We will now proceed to objection No. 17, the text of which appears on page 30 of the pamphlet, concerning the electoral constituency of York East. We also have before us Objections Nos. 23 and 24. Are there any comments respecting objections No. 17, 23 and 24? If not, may I ask whether it is the wish of the house that these objections be deemed to have been considered?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): The house having considered these objections, it is the Speaker's duty, pursuant to section 20 of the Electoral Boundaries Readjustment Act, to refer the report of the Boundaries Commission together with a copy of the objection and also a copy of the debates of the house back to the commission for consideration thereof.

An hon. Member: Ten o'clock.

The Acting Speaker (Mr. Rinfret): It being ten o'clock, we will now proceed with the agenda in respect of the questions in which hon. members wish to participate.

BUSINESS OF THE HOUSE

Hon. R. A. Bell (Carleton): Mr. Speaker, would the house leader outline the business proposed for tomorrow, and is he yet in a position to indicate what might be expected for next week.

Hon. George J. McIlraith (Minister of Public Works): Yes, Mr. Speaker. Tomorrow we would proceed with all the remaining motions by way of objection to the redistribution reports, with the exception of those pertaining to the province of Manitoba.

When we complete those tomorrow we will than proceed to item No. 4 on today's order paper, the second reading of Bill C-150, to amend the Research Council Act; then Item 54, the second reading of Bill C-169, to amend the Combines Investigation Act and the Criminal Code. If we conclude those, we will then take Item No. 3, the resolution concerning the automotive products agreement. This would be followed by Item No. 52, the resolution preceding the introduction of a measure to give effect to term 29 of the Terms of Union of Newfoundland with Canada.

Mr. Bell (Carleton): The hon. gentleman is very ambitious.

[The Acting Speaker (Mr. Rinfret).]

Mr. McIlraith: I should like to add that assuming we conclude all the redistribution objections except the one relating to Manitoba, we will bring forward a supply motion on Monday, and then continue with the Manitoba objection on Wednesday. If we do not complete the rest, we will announce a different program for Monday and Tuesday.

Perhaps I should add that at the opening of business tomorrow we wish to call Item No. 39, the third reading of Bill C-154 regarding the tax agreement between Canada and the United Kingdom.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

NORTHERN AFFAIRS—CONSTRUCTION OF REPLICA OF "GRANDE HERMINE" FOR EXPO '67.

Mr. J. R. Keays (Gaspé): Mr. Speaker, I believe it is essential that in order to debate the question of the "Grande Hermine" I must first of all establish the fact that Gaspé is the birthplace of Canada.

It is unfortunate that there is such a diversity of opinion amongst our historians as to who discovered Canada. This is possibly due to the evident distortions of history that appear when we read the English and French versions of our Canadian history. How can anyone claim that Cabot, the Venetian navigator, claimed the land for Henry VII of England?

Jacques Cartier, after reaching this side of the Atlantic, stopped in Newfoundland, in Labrador, on the shores of northern Quebec, and then came through the Magdalen Islands up to the Baie de Chaleur finally arriving in the bay of Gaspe on July 24, 1534. He raised a cross 30 feet in height, placed thereon a shield embossed with three fleurs-de-lis and took possession of the land in the name of the King of France. There was no war at that time. I am sure that if the land had been taken in the name of the King of England there would have been a war in 1534, but there is no history of any such war having taken place.

I will not dwell long on this fact. Suffice it to say that historians agree that any crosses which he may have placed elsewhere on this soil were only landmarks and not similar to the one at Gaspe upon which he placed a

shield with the fleur-de-lis. Nowhere in history is it related that he took possession at another landing.

Four hundred years later in 1934 the governments of France, the United Kingdom, the United States and Canada commemorated this event by the erection of a 110-ton cross carved out of granite, and by other ceremonies, at Gaspe. Present at that time were the Prime Minister of Canada, Right Hon. R. B. Bennett, Cardinal Villeneuve of Quebec, Sir Roger Keyes, representing England, Mr. Flandin, the minister of public works, representing France, Hon. W. D. Robbins, ambassador from United States in Canada, and Hon. L. A. Taschereau, premier of Quebec.

Mr. Flandin has stated that Cartier took possession of Canada at Gaspe. Mr. Trudel, one of our better known contemporary historians puts forth the argument in the following words:

It is clear from the importance of the ceremony that the cross (at Gaspe) was intended to indicate that a territory was being taken possession of in the name of François 1er.

• (10:50 p.m.)

The greatest proof for acceptance of this historical fact is the precedent of 1934 and it should be accepted as such. Marc Laterreur is also of the same opinion.

Since 1957, and I am sure the files of the Department of Northern Affairs will prove my statement, our Gaspé Historical Society under the chairmanship of L'Abbe Michel Le Moignan and the Historical Sites Commission under the presidency of Wilf M. Carter have endeavoured to obtain recognition of this fact and make of Gaspé an historic site.

A few years later, in 1961 to be exact, the Jubilee branch of the Canadian Legion at Gaspé, under Mr. Albert Cassidy and district chairman G. Lacouver, believed that if Gaspé were declared an historic site the construction of a replica of the *Grande Hermine* would be symbolic gesture aiding the development of the site and contributing to the economic advantages so desired for that region of our country.

Petitions were signed to this effect, there was correspondence with Richard Holden of McKay and Holden, who had incorporated a private company under the name La Societe de Navigation La Grande Hermine Limitée, Mr. Kniewasser of Expo '67, the present builders of the ship, the Department of Public Works, the Department of Commerce, the Centennial Commission, the Provincial Secretary of Quebec—in fact, with all those who would be interested in contributing to the construction of the replica of the *Grande Hermine* so that it would be first of all a source of attraction at Expo '67 and eventually find a permanent berth at Gaspé, the birth place of Canada.

To our disappointment we find a press release of March 18 from the minister's office advising us of his decision to have the ship built elsewhere and given a final resting place at Quebec city. After four years we find that the whole plan, which originated in Gaspé, was scuttled and a declaration to the effect that the ship would find a permanent berth at the Cartier-Brebeuf Park, in Quebec, which after all can only commemorate the second voyage of Cartier to the Canadian shores.

The price announced by the minister is not in keeping with correspondence which we now have and which we will speak of on another occasion. It is now found that the ship will have to be dismantled in order to find its berthing place at Quebec and engineers are going to be hired to study the feasibility of dismantling it.

What problems we encounter when we are creating a complete distortion of our Canadian history to give to Quebec city another historical monument. All municipal councils, public bodies, economic councils, Canadian Legion branches and other societies condemn this decision.

An article originating in Quebec city in *Le Soleil* and written by Odilon Arteau condemns this decision and states categorically that the *Grande Hermine* should find a haven at Gaspé. If the city of Quebec believes that the haven and final resting place of this ship should be Gaspé, we cannot understand why the department has announced that it will be Quebec city.

I trust that the minister will not be associated with this decision, that it will be rescinded, and above all and most important, that he will recommend that the question of the birthplace of Canada come before the standing committee of the house which deals with matters relating to his department.

Finally, Mr. Speaker, may I refer the minister to a booklet prepared by the Natural Resources Intelligence Service, Department of the Interior, in 1926. This booklet, produced by a department of government, states, when speaking of the Gaspé peninsula:

The peninsula may be said to be, historically, the oldest part of Canada, for it was on its shores

near the town of Gaspé that Jacques Cartier, in the year 1534, landed and claimed the country for his sovereign, the King of France.

I have here letters dated 1961 and addressed to the museum of Saint-Malo, France, to architects in France and to Mr. Kniewasser of Expo '67. All these letters claim that the *Grande Hermine* should be built and berthed at Gaspé. Who has stolen our idea? This is what we would be very interested to know.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Northern Affairs and National Resources): As was announced in a press release from the Department of Northern Affairs and National Resources on March 18, 1966, the federal government intends to construct a detailed full scale replica of Jacques Cartier's ship, the *Grande Hermine*. The ship will be on display at Expo '67, where it will be a prominent feature of the development called La Ronde. There is no doubt, as the minister has been quoted as saying, the *Grande Hermine* will be a major historical contribution to Expo '67.

After Expo '67, the intention is to move the vessel to Quebec city where it will be established as the focal feature of Cartier-Brebeuf National Historic Park. In planning the interpretation of national historic sites, it is imperative to keep in mind the precise nature of the event to be commemorated. There is no doubt that during the wintering episode in Cartier's second voyage, the outstanding event is the fact that his vessel laid at anchor for an entire season at the confluence of the Lairet and St. Charles rivers. This is the site of Cartier-Brebeuf park.

Cartier-Brebeuf, Mr. Speaker, has a specific connection with Jacques Cartier of greater duration than Gaspé has. He wintered at the site of Cartier-Brebeuf park, and this wintering is the first documented one for any large body of Europeans in mainland Canada.

Mr. Keays: He took the Indians of Gaspé and brought them back the second year.

TRANSPORT—PICTOU LANDING, N.S.—REPORTED UNSAFE CONDITION OF WHARF

Mr. H. Russell MacEwan (Pictou): I rise at this time with regard to a question which I put to the Minister of Public Works (Mr. McIlraith) a few days ago concerning a very mundane but important matter in my own constituency, namely the repairs to the wharf at Pictou landing. The condition has worsened since I asked the minister the question, which was ruled out at that time by Mr. Speaker. It was for this reason I raised the matter during this debate.

The company which was exporting pulp from the area, the Henderson Lumber Company, sent a telegram to the minister and various representations have been made by me as member for the area. The reasons I am putting forward for the reconstruction of this wharf are twofold: First, in so far as this economy is concerned, the area is a designated one and the export of pulp from this area is providing work for truckers, stevedores and so on, numbering approximately 100 men. In addition, the Henderson Lumber Company has given out information they have looked at this area as the possible site of a sawmill which would provide further work and further export of lumber.

This wharf is important, too, in that a number of fishermen use it for lobster and other types of fishing. During the last short period of time when the wharf was under temporary and minor repairs commencing last fall, the contract was about half completed when a crane went through the end of the wharf. I think perhaps the old Latin phrase, *res ipsa loquitur*, the thing speaks for itself, is applicable to this situation. We were shown that these repairs were necessary. I must say that the Minister of Public Works has always been very good and advised me whenever I have made inquiries about work that was to be done.

If I might make a suggestion to the Minister of Public Works, it would be this: The suggestion arises out of something brought forward by his predecessor, a gentleman now in the other place, Senator J. P. Deschatelets, in correspondence with me in the year 1964. At that time consideration was being given to carrying out wharf reconstruction in the Pictou landing area. The minister of that day pointed out to me that this would be considered in the estimates for the operating year, and it would involve shortening the existing structure by some 100 feet.

• (11:00 p.m.)

That is the suggestion I put forward to the minister tonight, that he ask his officials to look into this question and to carry out this reconstruction and, if necessary, to cut off a bit of the wharf—100 feet or whatever is necessary—which was the suggestion of the former minister. I have looked at the wharf and have been making submissions about it for many years, because frankly I do not

believe that as the wharf now stands it is necessary. It is a long structure, and for the good of the shipping of pulp, possible lumber shipments and also for the good of the fishermen who use it I hope that the minister will immediately have his officials go to the area and look into the question of its complete reconstruction.

I realize the main estimates for this year have been tabled but I hope that consideration will be given by way of supplementary estimates to carrying out the necessary reconstruction. I suggest it is no longer just a matter of minor repairs but of extensive repairs. As I have pointed out, perhaps this could be done by way of cutting off part of the wharf and working on the balance of it. I was in the area during the Easter recess and minor repairs and dredging were being carried out so that fishermen would have a place to fish from during the lobster season. This was being done all inside the wharf. From the outer or north end it has been getting worse from time to time; the piles are rotten. I submit to the minister, who I know will take it into consideration, that reconstruction of this wharf, a very important link in the east Pictou area, should be proceeded with as quickly as possible.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I thank the hon. member for drawing this matter to my attention. There is a good deal of uncertainty about the suitability of this large wharf for local requirements. It has been used mainly by a group of inshore fishermen and to a limited extent by exporters of softwood pulpwood.

Over the years the structure has deteriorated to the point that in May, 1965 it was necessary to reduce the load limit by 50 per cent. Early last winter an effort was made to have minor repairs made, mainly to accommodate the fishermen and also the ferry service; but at that time it was found that the wharf was in such a bad state of repair that it had to be closed to vehicular traffic on February 10, 1966. The cost of putting this wharf in good condition is estimated at $200,000.

I assume that the structure was allowed to deteriorate over the years because of the uncertainty about how well it would suit future needs. The requirement of the local fishery could be met better at a considerably lower cost, and this possibility is being explored. However, the kind of structure that would suit the fishermen probably would not be useful for the export of pulpwood. About 7,000 cords of wood have been loaded there annually in recent years. Moreover, so far we have been unable to get any information that promises an increase in the export of this commodity at this location. It would not be reasonable to make a major expenditure to facilitate this export without some assurance that the economic justification of that expenditure would not vanish within a few years.

The Henderson Lumber Company has known about the deterioration of the wharf over the years. It is most regrettable that the company has bought a quantity of wood for shipment during 1966 from this site; however, even if we felt that we could justify the major expenditure to which I have referred, the wharf could not be reconstructed in time for this year's shipment. The structure is being examined to see what can be done to make it suitable for use by the fishermen during this season. The larger question indicated by the hon. member is one that I shall pursue thoroughly.

CANADIAN NATIONAL RAILWAYS—DISCONTINUANCE OF STEAMSHIP "CANORA" ON WEST COAST

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I must first of all state correctly the question I asked the Minister of Transport three days ago because there was an error in it at that time. I sent the minister a corrected version yesterday which is as follows:

> In view of the fact that the Canadian National Railways has decided to discontinue operation of the S.S. *Canora* on the west coast, causing unemployment for approximately 50 men;
>
> And in view of the fact that the Canadian Pacific Railway has now decided to operate their own vessel in this service;
>
> Will the Minister of Transport intercede with the Canadian National Railways to replace the *Canora* with another vessel, owned by the Company and operated by their present long-term employees?

I should like to indicate that this is a grave situation affecting approximately 50 men and their families.

On April 5 the Canadian Merchant Service Guild, an organization of marine officers, was informed that the Canadian National was going to discontinue the operation of the S.S. *Canora,* a vessel which has operated from the B.C. mainland to Vancouver Island since 1918. That is 48 years of service. The ship employs approximately 50 men, including 12 officers, many of them with very long continuous service. In fact, the service of the officers averages out to 20.7 years per man.

The guild was invited by the management to attend meetings to discuss the future of employees. They met with courtesy, and spoke of the courteous reception given to them. Members of management made suggestions which included such things as job transfers to other areas, retraining, early and deferred retirements, but made clear that it could give no guarantee to any employee about a position in the service.

The men feel that because of seniority groupings now in effect in the railway system, possible replacement within that system is therefore improbable. They feel that to be forced to retire early, especially in the case of officers, would cost them hundreds of dollars because early retirement would force them to take a lower pension with which they would have to be satisfied for the rest of their lives.

It is not as though there was a reason to discontinue the service. It is not redundant, it is necessary. The Canadian National plans that it will be continued by a commercial carrier. Tenders for the service have now been invited. Second, another company will operate the service and will still make a fair profit. Third, the Canadian Pacific has a very similar operation which has been handled for them by F. M. Yorke & Son Limited, a Vancouver based firm.

Recently the Canadian Pacific has decided to operate this service with its own vessel, which is expected to be ready for operation by approximately May 15, 1966. This is the vessel for which tenders have been called.

It appears that the Canadian National is now going to make the mistake originally made by the Canadian Pacific in the use of a commercial carrier. In this situation I feel that the minister should intercede with the Canadian National and urge upon that body the need to replace the *Canora* with another vessel owned by the Canadian National and operated by its present long-term employees.

This is a very serious problem and the men are most anxious that the government take action before they are thrown out, and before it is too late to embody their services again within the system.

Hon. John N. Turner (Minister without Portfolio): Mr. Speaker, the Minister of Transport made inquiries of the Canadian National Railways. I can sympathize with the position outlined by the hon. member who has just spoken.

The information given to the minister was that the *S.S. Canora* has been in the island service on the west coast, and that the vessel indeed is 48 years old, as mentioned by the hon. member. However, it cannot be operated in the present service beyond May or June of this year. Therefore in order to continue to provide a service, the company is seeking alternative means of carrying out its obligations. This involves the retirement of the *Canora* from service.

The minister was also advised by the railway that the railway company considers it uneconomic to make the capital expenditure necessary to buy a new vessel and that in any case it would be impossible to secure one without considerable delay. The employees involved, and who may be displaced, have been notified. Discussions have been held with the general chairman of the union, and everything possible is being done to reassign the personnel displaced to other jobs.

Motion agreed to and the house adjourned at 11.13 p.m.

HOUSE OF COMMONS

Friday, April 29, 1966

The house met at 11 a.m.

• (11:10 a.m.)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKERS OF LEGISLATIVE ASSEMBLIES

Mr. Speaker: May I bring to the attention of hon. members the presence in the Speaker's gallery today of Speakers from the legislative assemblies of Canada. These learned and distinguished gentlemen and their wives are in Ottawa to attend the annual meeting of the area council of the parliamentary association.

[*Translation*]

May I, on your behalf, wish them the most cordial welcome.

[*English*]

JUSTICE AND LEGAL AFFAIRS

FIRST REPORT OF STANDING COMMITTEE

On the order:

Mr. Cameron (High Park) (Chairman of the standing committee on justice and legal affairs):

That the first report of the standing committee on justice and legal affairs, presented to the house on Tuesday, April 26, 1966, be now concurred in.

Mr. A. J. P. Cameron (High Park): I ask that the motion stand.

Mr. Reid Scott (Danforth): I rise on a point of order, Mr. Speaker, as a member of the committee the report of which was just asked to be stood. I wonder if you could advise me as to the right of the chairman to stand the report when the committee has asked that it be presented. A very serious situation exists in the committee structure of the house, which appears to be breaking down. It seems to me the only time we can discuss this serious problem is when one of these motions is brought before the house for debate. I wonder if you could advise me how the chairman of the committee can stand the report which the committee has asked him to present.

Hon. G. J. McIlraith (Minister of Public Works): Perhaps I could be helpful to the hon. member. The fact is that the business coming before the house during the last three days has been under motions. By agreement we decided to take these motions as if they were orders of the day rather than in their regular place. The effect of this decision was to permit a question period. If we had taken the motions in their proper place, under motions, that would have eliminated the question period. It seemed to me that it would be contra- to the wishes of the house to take these 33 motions, postpone them and put the other two motions about which the hon. member has inquired ahead of them in order that those motions should retain their position. It seemed to me to be quite unfair to do that.

I must, I think, properly take some responsibility for suggesting to hon. members who had motions for concurrence before the house that they not proceed with them until we completed the debate on the redistribution motions.

Mr. Speaker: I hope the explanation of the minister has clarified the situation for the hon. member.

Mr. Scott (Danforth): It has not clarified it at all, Mr. Speaker, but I guess the situation will have to stand at the moment.

COMMONWEALTH RELATIONS

ANNOUNCEMENT OF CONFERENCE WITH COMMONWEALTH CARIBBEAN COUNTRIES

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I wish to make an announcement concerning a conference of commonwealth Caribbean countries and Canada. Following my visit to Jamaica, Trinidad and Tobago late last year, it was decided to hold a meeting of officials to make preparations for the holding of a conference at the level of heads of government. This meeting took place at Kingston, Jamaica toward the end of January. The representatives of the various commonwealth Caribbean countries and Canada who attended that meeting agreed to recommend that a conference take place in July, from July 6 to July 8, inclusive.

I had indicated our willingness to have this conference in Canada if it was the wish of the other countries concerned, but I had also

made it clear that we would be happy to go to the West Indies if that was preferred. The officials meeting in Kingston agreed to recommend that our offer to hold the conference in Canada be accepted. The officials also made recommendations concerning the agenda. It was agreed that discussions might be held under the following broad headings: trade, development aid, transport and communications, migration, other economic questions, international questions of mutual interest and cultural relations.

I am pleased to report that the Prime Ministers of Jamaica, Trinidad and Tobago and British Guiana have expressed concurrence with the recommendations of the preparatory meeting in Kingston, and that informal indications of agreement have been received from the governments of Antigua, Barbados, British Honduras, Dominica, Granada, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent. The conference of heads of government of the commonwealth Caribbean countries and Canada will therefore take place in Ottawa from July 6th to 8th.

This conference, Mr. Speaker, I hope will be the beginning of a process of even closer and more productive consultation and practical co-operation between the commonwealth Caribbean countries and Canada. As such it could well mark a new stage in the special relationship which Canada has traditionally had with the West Indies.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the announcement made by the Prime Minister is in keeping with the course of development through the years. Our relationship with the nations of the commonwealth in the Caribbean has been close, and has become stronger with the passing years. Indeed, when we were in office we brought about a change of attitude in this regard by making provision through parliament for assistance to countries in the Caribbean, ships and the like, so those countries, far separated as they are one from another, would be able to bring about, as we had hoped, a confederation in the West Indies. However, that did not turn out to be the final result. The aid to each of these countries has been separate, one from the other.

What has been suggested over the years is now being carried into effect. This conference will enable the nations of the Caribbean to meet with Canada and together arrive at still closer relationships between our respective nations. Some of these countries have felt that they ought to join the Organization of American States. One or two of them have been strongly pressed by the United States to do so. My own view of the Organization of American States is that we should defer taking any action to join. However, by a meeting such as this we bring these nations together in a common relationship one to another under the crown, thereby assuring the improvement of economic, social and other relationships to bring about that oneness that is so necessary today.

From listening to the Prime Minister I am sure one of the matters which will receive intensive discussion will be that of immigration. During our period of office we removed colour discrimination, in fact or in theory, as one of the elements in immigration by assuring that all immigrants, regardless of their colour or race, would be admissible to Canada because of their skills and for no other reason. That is something that is not well understood in these countries in the Caribbean.

I am sure the discussions that will take place and the counsel that will result therefrom will bring about a feeling of better understanding and a recognition by those countries that Canada's stand in this regard is based not on colour discrimination—because Canada's attitude is that Canada must be colour blind—but on immigration that is founded upon skills and the ability of our immigrants to fit into the national picture.

• (11:20 a.m.)

Mr. Herridge: Well spoken.

Mr. David Lewis (York South): Mr. Speaker, on behalf of our party I should like to welcome the announcement made by the Prime Minister and, indeed, to express our appreciation at the initiative taken by Canada which leads to these discussions.

It has seemed to me for a long time that Canada ought to have taken a much more active part in assisting these poor countries of the western hemisphere to improve their lot and to become more independent economically and more viable socially. I hope the discussions will lead precisely to that kind of result. I hope Canada will increase immensely the assistance it is prepared to give to the countries in the Caribbean, to help them to develop economically and socially.

I share, on behalf of our party, the emphasis which the right hon. Leader of the Opposition placed on the need to remove every remaining vestige of discrimination against the inhabitants of the Caribbean area who may wish to come to Canada. We are very

glad at this first step. We hope it will produce useful results for the peoples of those countries.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the statement by the Prime Minister that the relations of Canada with the Caribbean countries are most friendly and that Canada will assist in the economic, social and cultural development of these countries is most pleasing to us.

On the other hand, the Canadian government should not overlook their responsibilities to Canada. We appreciate the fact that meetings will be held between these various Caribbean countries and Canada with a view to studying the possibilities of aid for these countries because our country is in an advantageous geographical position and in possession of considerable wealth. Those countries have resources also. I went to Jamaica a few years ago and I noticed natural resources which cannot be developed without help. That is obvious if you go there.

I am all in favour of helping Jamaica. However, Mr. Speaker, interest-free loans should not be limited to those countries; they should be granted also to our municipalities who need help in Canada and to some of the maritime provinces which would find it advantageous to obtain interest-free loans from the Bank of Canada.

We are in favour of helping those countries but also of helping our municipalities and provinces. I see that the Minister of Finance (Mr. Sharp) finds that a little funny. He knows that it is logical to help our people at home first and then others. We are granting interest-free loans now, when we have to pay interest on money we borrow, and it seems to me that we cannot go any further in that direction.

We are not against helping those countries, but we should start by helping our municipalities and our provinces.

[*English*]

Mr. R. N. Thompson (Red Deer): As one who is not yet in a position to reminisce on what my party did when it was in power, and this not being the occasion for political speeches or debate, I will just say I am very pleased with this announcement. I think for too long we have paid lip service toward our responsibilities in the West Indies, and I hope this will be a major step forward in our relations with the countries of the West Indies.

Mr. Speaker: Order. I understand that the hon. member for Hochelaga and possibly the hon. member for Waterloo South would wish the house to return to the presentation of reports. Is this agreed?

Some hon. Members: Agreed.

[*Translation*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

FOURTH REPORT OF STANDING COMMITTEE

Mr. Gérard Pelletier (Hochelaga) presented the fourth report of the standing committee on broadcasting, films and assistance to the arts.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

[*English*]

LABOUR CONDITIONS

STEPHENVILLE, NFLD.—CLOSING OF U.S. AIR FORCE BASE

Hon. Jean Marchand (Minister of Citizenship and Immigration): I have received a number of representations, many of them in the form of telegrams, from residents of Stephenville, Newfoundland, concerning the employment situation which will result later this year from the expected changes at the United States air force base in this community. It has been represented to me that there are approximately 1,000 Canadians now employed at this base and that most of these workers will have their services terminated at the end of June and the remainder at the end of the year.

I wish to inform the house that my department is looking into the facts of the impending situation in Stephenville. We have to take into account the expectations of the provincial government as to alternative sources of employment that can be provided in Stephenville. It is not clear at the present time what the employment situation in Stephenville is likely to be later this year. We are examining carefully all the factors, and we will take what action proves to be appropriate. When a decision is reached after full study, it will be announced in the usual way.

[*Later:*]

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in an effort to be helpful I wish to

address a question to the Minister of Citizenship and Immigration. In view of his concern about the employment situation at Stephenville, Newfoundland, and in view of the number of United States citizens who enter Canada as landed immigrants with the intention of working only on certain projects and then returning to the United States, will he consider the job opportunities available in British Columbia when he is looking for employment for individuals who may be unemployed?

Mr. Marchand: Mr. Speaker, we will consider all job opportunities, even those in British Columbia; there is no doubt about that.

COMBINES INVESTIGATION ACT

PROVISION FOR INQUIRIES INTO PRICE INCREASES

Mr. Max Saltsman (Waterloo South) moved for leave to introduce Bill No. C-173, to amend the Combines Investigation Act (increased prices).

An hon. Member: Explain.

Mr. Saltsman: The purpose of this bill is to enable the director of investigation and research appointed under the Combines Investigation Act to cause an inquiry to be made into the increased price in the case of any commodity with the view to determining whether increased wage costs and increased costs of raw materials and other relevant costs warranted the increase which was being imposed upon the public, and to report thereon.

The bill also seeks to carry out the substance of the subamendment moved in the house by the leader of the New Democratic Party on March 21, 1966, which was as follows: "this house further regrets that the government has not established a prices review board—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member knows that under standing order 71 he is permitted only to give a brief explanation. Perhaps he is now going beyond the limits imposed by this standing order.

Motion agreed to and bill read the first time.

[Mr. Herridge.]

• (11:30 a.m.)

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO GOVERNMENT INTERVENTION IN CURRENT DISPUTE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct my question to the Prime Minister. Is he in a position today to make a statement in regard to the dispute between the C.B.C. and the promoters or producers of "This Hour Has Seven Days"—I almost thought I might say 14 months.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: What has the Prime Minister to say in that regard? Has he been in communication with the president of the C.B.C. and with the representatives of these people, and will early action be taken?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I was in touch by telephone with the president of the C.B.C. yesterday afternoon. He phoned me from Montreal after he had received the telegram to which reference was made yesterday. At that time he told me he and his board would be considering that telegram, and he would send me a copy of any message they should send to the parliamentary committee which is dealing with this matter, and which perhaps I may be permitted to say is itself providing good offices in this situation.

As a result, last evening between ten thirty and eleven o'clock I received a message from Mr. Ouimet sending me a copy of the message which he had sent to the chairman of the committee. I believe the committee itself considered this telegram last night. If I may be permitted to quote from the telegram which was sent to the chairman of the committee, a copy of which was sent to me, it was to the effect that he—that is the president of the C.B.C.—would be pleased to meet at any time with the Prime Minister or any other person or persons that I may designate, to discuss the present situation and its resolution.

Before the house met this morning I had an opportunity for a short talk with the chairman and vice chairman of the committee in regard to this message which had been sent to them. Now, Mr. Speaker, I am considering what action I should take in regard to this message and the previous messages I have received, and I am aware that the matter is one of some urgency.

Mr. Diefenbaker: Has the president of the C.B.C. given any assurance to the Prime Minister that he is prepared to relent in his decision, so that the removal of these two men from this particular program will be postponed until further consideration can be given to the whole matter? Because, as I understand it, the representatives of the producers in Toronto have stated they are prepared to postpone their strike ultimatum date provided the stubborn attitude taken by the president of the C.B.C. is at least diminished for the time being.

Mr. Pearson: Well Mr. Speaker, I cannot accept the characterization by the right hon. gentleman of the attitude of the president of the C.B.C. I would point out—

Mr. Diefenbaker: It wasn't diplomatic.

Mr. Pearson: My right hon. friend says it was not diplomatic. That is not quite the same thing as stubborn. I would point out that representatives of the producers, and the hosts in question, have appeared before the parliamentary committee and have had an opportunity to state their case to the committee, whereas the representatives of the corporation have not yet had that opportunity, although it has been provided for.

I hope, in the light of the telegram I received this morning, to discuss this matter further with the president of the C.B.C. I shall get in touch with him as soon as I can this morning to see if I can arrange to meet him without delay. In our discussion last evening the question which has been raised by the right hon. gentleman about attitudes in this matter did not arise.

Mr. Diefenbaker: For the benefit of hon. members, will the Prime Minister read the telegram to which he has made reference?

Mr. Pearson: Well, Mr. Speaker, it is a telegram to the chairman of the committee, a copy of which was sent to me. I do not know if I would be in contempt of the committee if I put it on the record, but I would be very glad to do so if there were not that difficulty. Perhaps, Mr. Speaker, you can advise me on this.

Mr. Speaker: Order. If there were unanimous agreement in the house possibly we could take a chance on being contemptuous of the committee and hear the telegram to which the right hon. gentleman has just referred. Is there agreement to the reading of this telegram?

Some hon. Members: Agreed.

Mr. Pearson: I have already given the gist of the telegram. It reads as follows:

> The following wire was sent this evening to Mr. Pelletier:
>
> "Re your telegram regarding Prime Minister's kind offer of government's good offices I will be pleased to meet at any time with the Prime Minister or with any other person or persons he may designate to discuss the present situation and its resolution."
>
> J. A. Ouimet,
> President C.B.C.

Mr. David Lewis (York South): As a supplementary question, in view of the telegram which the Prime Minister has just read and the earlier telegram received from the producers' association, and in view of the fact that the Toronto producers' association has to make up its mind on what to do Sunday night, two days from today, would the right hon. gentleman consider the immediate appointment of someone to act as mediator, someone outside the public service who could start working immediately to resolve the particular problem arising out of "Seven Days", which is the only thing that can solve the situation?

Mr. Speaker: The hon. member for Royal.

Mr. Fairweather: Mr. Speaker, my supplementary was put by the hon. member for York South.

Mr. Robert C. Coates (Cumberland): May I ask the Prime Minister a related question—

Mr. Lewis: Is the Prime Minister going to answer mine?

Mr. Pearson: I shall be glad to give consideration to that.

Mr. Coates: Can the Prime Minister inform the house when the cabinet committee, which he heads, studying the Fowler report on broadcasting might be prepared to announce their decision on this report which, if done earlier, might have eliminated some of these problems?

Mr. Speaker: Order. The hon. member says this is a related question. It does not seem to me to have that character of urgency that would require an answer now, but if the right hon. Prime Minister wishes to answer the question the Chair will permit it.

Mr. Pearson: Mr. Speaker, of course it is not in order for me to refer to deliberations of cabinet committees, but I can say this

committee has been meeting continuously and giving urgent consideration to the matter. It has been receiving the views of many people and organizations, and is hoping to be in a position to make a report to the cabinet shortly.

Mr. Fairweather: As a supplementary question, is it in the contemplation of the Prime Minister that no appointment of a mediator will be made until the deliberations of this special committee on broadcasting have been completed?

Mr. Pearson: Not necessarily, Mr. Speaker.

[*Later:*]

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker I want to get back to the problem facing the C.B.C., if the Prime Minister does not mind one more question. I am concerned about the urgency of this matter and the fact that there is a deadline involved, and am hoping the government will see fit not to postpone the committee meetings but to appoint a mediator before the week end.

Mr. Pearson: Mr. Speaker, I am also aware, of course, of the urgency of this matter and realize that anything I can do in this regard should be done immediately.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, coming back to the question asked by the hon. member for Royal, is the Prime Minister giving consideration to the appointment of a mediator? Is the cabinet looking into that matter at the moment, and under what circumstances and with what powers would this appointment be made?

Mr. Pearson: Mr. Speaker, I do not feel I can answer that question until a decision has been made whether it would be helpful for the government to intervene in that particular way. Before I made that decision I would wish to see the president of the corporation and representatives of the other side of the dispute. I hope to do that very, very soon.

[*Translation*]

MINES AND TECHNICAL SURVEYS

NORTHWESTERN QUEBEC—ASSISTANCE TO GOLD MINES

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I put a question to the Minister of Mines and Technical Surveys?

[Mr. Pearson.]

Following telephone conversations and communications with the Department of Mines of the province of Quebec, is the minister in a position to make a statement concerning subsidies to gold mines in northwestern Quebec?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): No, Mr. Speaker.

[*English*]

AGRICULTURE

REQUEST FOR EXPANSION OF R.O.P. HOG TESTING

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Has the minister received a request for expansion of the facilities for the R.O.P. testing of hogs and, if so, what decision has he reached?

Mr. Speaker: Order. This question should be placed on the order paper.

EXTERNAL AFFAIRS

RHODESIA—REQUEST FOR REPORT ON CURRENT TALKS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Prime Minister or to the Secretary of State for External Affairs. In view of the fact that the Prime Minister of Great Britain has stated that he will keep the commonwealth informed regarding negotiations with Rhodesia, and in view of the reports this morning that seven Africans have been killed in riots north of Salisbury and that student demonstrators were found armed with Chinese weapons and were led by terrorists who had been trained in terrorism in Red China, could some information be given to the house on this state of affairs?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the government was again in consultation yesterday with the government of Britain. The Prime Minister of Canada has spoken to the Prime Minister of the United Kingdom. These matters are being closely followed.

HOUSE OF COMMONS

REQUEST FOR REPORT OF COMMITTEE ON ELECTION EXPENSES

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I wish to address a question to the

Prime Minister. Can he tell the house when the report of the special committee on election expenses will be tabled?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I had hoped it would have been submitted to the government by now, but I made inquiries again a few days ago and found that there has been some difficulty in the actual editing and the translation that is being done as the draft of the document is being prepared. I am informed now that it will not be finally completed, translated and available until early in June.

AGRICULTURE

EPIDEMIC TREMORS IN POULTRY— USE OF U.S. VACCINE

On the orders of the day:

Mr. R. E. McKinley (Huron): Mr. Speaker, I should like to ask the Minister of Agriculture whether he has any answer to the situation I mentioned to him yesterday regarding the serious increase in outbreaks of epidemic tremors in poultry lately; and can we expect that United States vaccine will be allowed into Canada soon?

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

Mr. McKinley: Mr. Speaker, this is a very serious—

Mr. Speaker: Order, please. It is difficult for the Chair to determine whether this type of question is of the urgent and national importance which would warrant an immediate answer from the minister concerned. The hon. member may wish to enlighten the Chair in this respect, but unless that kind of an explanation is provided the Chair cannot judge that there is immediate national urgency.

Mr. McKinley: Mr. Speaker, with all respect for your decision, this is a very important matter. I was called to a meeting of hatchery operators on Wednesday of this week, at which time they brought this very serious matter to my attention.

Mr. Speaker: A question has to be something more than important and serious in order to be acceptable. There is apparently some general interest in this matter, so if there is no objection and the minister wishes to reply he will be allowed to do so.

Inquiries of the Ministry

Hon. Michael Starr (Ontario): Mr. Speaker, I rise on a point of order. In view of the fact that the question asked by the hon. member for Red Deer regarding the type of weapons used by the Chinese at some place or other, was allowed, I think a question in reference to an important matter pertaining to Canadian citizens trying to make a living in one way or another is of more importance and should also be allowed.

Soem hon. Members: Hear, hear.

Mr. Speaker: Order, please. The hon. member has advanced a very interesting and powerful argument, and I will accept it.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I thank the hon. member for giving me notice of this question, and inasmuch as I agree that the problems of farmers in Canada are more important than that of the arms used by the Chinese, perhaps I should state that all vaccines have to be approved by the Department of Agriculture before they can be admitted to Canada. The vaccine to which the hon. member referred is now being checked. We hope that checking procedure will be completed by next week, at which time an answer can be given.

REQUEST FOR EXPANSION OF R.O.P. HOG TESTING

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I rise on a point of order. I do not wish to add to the difficulties of Your Honour, but a ruling was made in respect of a question I directed to the Minister of Agriculture. Since then another question of a similar nature has been allowed, and I should like to request that my question to the minister be now answered.

Mr. Speaker: It seems the only difference in the questions is that one related to chickens and the other to hogs. Having allowed an answer to the question regarding chickens perhaps we should allow an answer in respect of hogs.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, my memory is better in respect of chickens than it is in respect of hogs. Would the hon. member kindly repeat his question?

Mr. Thomas (Middlesex West): Mr. Speaker, I asked whether the minister had received a request for an expansion in the R.O.P. testing

of hogs and, if so, what decision has been reached.

Mr. Greene: Mr. Speaker I cannot recall having received such a request, but I will undertake to look into the situation and give the hon. member an answer in this regard.

IMMIGRATION

APPLICATIONS FOR ADMISSION BY THOSE WITH VISITORS' VISAS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address my question to the Minister of Citizenship and Immigration. Can he advise the house when and how he proposes to dispose of the applications from about 13,000 people who are now in Canada on visitors' visas?

Hon. Jean Marchand (Minister of Citizenship and Immigration): I believe I answered that question last week. As the hon. member knows, we have to process about 13,000 or more applications. When we make a decision we must be prepared the following day to process the applications. I hope to be in a position to make a statement in this regard within a few weeks.

ROYAL CANADIAN MOUNTED POLICE

STATEMENT BY COMMISSIONER RESPECTING REQUEST BY PRIME MINISTER

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Prime Minister. I would prefer not to ask it but I do so because I feel it affects the privileges of every member of this house. Does the Prime Minister wish to make any statement to the house about the evidence of the commissioner of the Royal Canadian Mounted Police to the effect that in November of 1964 the Prime Minister inquired whether R.C.M.P. files indicated any wrongdoing on the part of any member of parliament in the preceding ten years? Does the Prime Minister wish to make any statement to the house?

Mr. Speaker: I have very serious doubts as to the acceptability of that question. It refers to a statement made in connection with a judicial inquiry, and it seems to me it is not the type of question which should be asked at this time. I realize the matter is of very serious importance, but I am rather inclined not to accept it at this time.

[Mr. Thomas (Middlesex West).]

Mr. Brewin: Mr. Speaker, I should like to amend the question and ask the Prime Minister whether he did in fact request the commissioner of the R.C.M.P. to make available to him files or information relating to the wrongdoing of hon. members of this house?

Mr. Speaker: Order, please. The Chair cannot accept the second question for the same reason the first question was ruled out of order.

[*Later:*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Prime Minister and ask whether he has received from the R.C.M.P. any files indicating wrongdoing involving any member of parliament in the past ten years.

Mr. Speaker: Order, please. This question, again, is the same type as those that have been asked by other hon. members and cannot be accepted by the Chair.

Mr. Diefenbaker: What have we got; a police state?

INDUSTRY

BEAVERTON, ONT.—CLOSING OF AUTO PARTS PLANT

On the orders of the day:

Mr. W. C. Scott (Victoria (Ont.)): Mr. Speaker, I direct my question to the Minister of Industry. Is he aware that Lake Simcoe Industries at Beaverton, Ontario has become a casualty of the Canada-U.S. free trade agreement on auto parts, and that it will be discontinuing production operations, with the result that approximately 220 employees will be laid off?

Mr. Speaker: That question is out of order and cannot be accepted in the form in which it has been asked.

AUTO PARTS—REPORTED STUDY OF CANADIAN MARKET

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I should like to direct a question to the Minister of Industry arising out of a news report of this morning to the effect that the federal Department of Industry is launching a study in Canada of the auto replacement parts market, and as part of that study questionnaires will be sent to the industries involved in order that the department can expand its knowledge on this subject. Has the minister given consideration to sending the

same questionnaire to the trade unions involved in the automobile parts industry in order to obtain the benefit of their information and research on this subject?

Mr. Speaker: Order, please. This question is of a very general nature and it does not seem to me that it should be allowed at this time.

STORMS

ONTARIO—REQUEST FOR CONSIDERATION AS DISASTER AREA

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address my question to the Prime Minister. In view of the recent emergency situation in Manitoba resulting from flooding of the Red river, and the more recent widespread havoc created by a violent storm on lake Erie, can the Prime Minister indicate what plans the government has for the establishment of a national disaster fund which would make funds available on short notice when such emergencies occur anywhere in Canada?

Mr. Speaker: Order, please. This is another question of very general nature. The hon. member has referred to the possibility of the establishment of a fund to deal with emergency situations which might occur in the future. Under those circumstances the question should be placed on the order paper.

Mr. Barnett: Mr. Speaker, may I rephrase my question and ask it in a different way. Will the Prime Minister indicate whether the federal government has received requests to assist in areas where damage has been done as a result of the recent storm on lake Erie? If so, what are the intentions of the government in this regard?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this matter was brought to our attention yesterday by an hon. member, as well as by letters from members representing the area concerned. As my hon. friend knows, in respect of matters of this kind any approach for assistance should come through the provincial government, as was the case with the Manitoba floods. We have received no such request from the government of Ontario.

Mr. H. W. Herridge (Kootenay West): I have a supplementary question, Mr. Speaker. In view of the frequent disasters and requests to the federal government to assist in co-operation with the provinces or organizations concerned, would the Prime Minister give consideration to the bill introduced by the member for Kootenay West that asked for the establishment of a national disaster fund?

Mr. Pearson: I have already given consideration to the desirability and possibility of some kind of disaster legislation which would cover a situation of this kind. This could only be brought about in co-operation and by agreement with the provinces. Perhaps this is a matter that should be discussed with the provinces.

LABOUR RELATIONS

SEAFARERS INTERNATIONAL UNION—APPLICATION TO REJOIN CANADIAN LABOUR CONGRESS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Labour and ask whether, in view of the decision yesterday at the convention of the Canadian Labour Congress by a three to one vote to take steps to re-admit the Seafarers International Union as an affiliate of that body, the minister would now be prepared to take steps to have the Maritime Transportation Unions Trustees Act repealed. If the answer is in the affirmative, would he consider doing this by adopting a bill of which I hope to give notice of introduction later today?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, my attention has been drawn to the discussion and vote held yesterday. If my understanding is correct the C.L.C. did not vote to re-admit the S.I.U.; the vote gave the executive of the congress power, after further investigation, to admit them. Until I have a further report I would rather not say anything now.

OLD AGE ASSISTANCE

REQUEST FOR INCREASE TO $100 PER MONTH

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. What answer has the government given to a recent request from the National Pensioners and Senior Citizens Federation for an across the board increase in the old age security pension to $100 a month?

Mr. Speaker: Order. I suggest that this is not a proper question. The hon. member is asking what answer has been given to an

inquiry made of the right hon. Prime Minister. The question cannot be accepted in that form. The hon. member for Red Deer (Mr. Thompson).

Mr Knowles: I will ask it again in another way.

Mr. Speaker: The hon. member for Red Deer.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Prime Minister which is relevant to the one asked by the hon. member for Winnipeg North Centre. When can we expect that item No. 45, with regard to the Canada Assistance Plan, will be brought into the house for discussion?

Right Hon. L. B. Pearson (Prime Minister): It is certainly on the priority list, and the house leader will be indicating next week, after we have finished redistribution and after discussing the matter with the other house leaders, how we should proceed in connection with legislation now on the order paper and some important legislation to be put on the order paper.

NATIONAL SECURITY

INQUIRY AS TO ESTABLISHMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the right hon. Prime Minister. In view of his statement yesterday regarding his decision with respect to the crime probe, does the Prime Minister have any information for the house about the setting up of a royal commission on security?

Right Hon. L. B. Pearson (Prime Minister): Not in addition to what I have already said in the house, namely that we are considering the terms of reference and the personnel of the commission. I think it should be a commission of three. I hope to be able to make an announcement as soon as these two points are cleared up.

[*Translation*]

AIR CANADA

ESTABLISHMENT OF DIRECT ROUTE BETWEEN NORTH AMERICA AND RUSSIA

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, may I direct my question to the Minister of Transport? Would the minister advise the house whether it is true that Air Canada has decided to establish the first direct airline between Russia and North America?

Mr. Speaker: Order. I do not think this question is so urgent that it can be accepted at this time.

[*English*]

APPLICATION TO SERVE LIQUOR ON FLIGHTS OVER ONTARIO

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I ask the Minister of Transport whether he is aware of the application made by Canada's national air line to the government of Ontario for a licence to serve liquor in the air. I would ask whether the safety officials of his department have given consideration to the matter or made representations to the province of Ontario.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I would have to look into the precise status of this matter before it would be wise for me to make a statement.

INCOME TAX

IMPLEMENTATION OF AGREEMENT BETWEEN CANADA AND UNITED KINGDOM

Hon. Mitchell Sharp (Minister of Finance) moved the third reading of Bill No. C-154, to implement an agreement between Canada and the United Kingdom for the avoidance of double taxation with respect to taxes on certain classes of income and to implement a supplementary income tax agreement between Canada and Sweden.

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

REDISTRIBUTION

CONSIDERATION OF OBJECTIONS TO COMMISSION REPORTS

Mr. Speaker: I understand there is agreement among hon. members to consider at this time objection No. 18, the text of which may be found at pages 31 to 33 of the pamphlet distributed to hon. members.

On February 17 last a notice of objection in the form of a motion was filed with me in the following terms:

Proposed Electoral Districts of the Province of Quebec:

That, in accordance with section 20 of the Electoral Boundaries Readjustment Act (statutes

of Canada 1964-65, chapter 31), this house should consider the matter of the objections to the provisions of the report of the electoral boundaries commission for the province of Quebec, laid before this house by the Speaker on Wednesday, January 19, 1966, for the reasons hereinafter given with regard to the provisions concerning the province of Quebec as a whole and with regard to certain particular cases:

(1) The commission, throughout the province of Quebec, has given no thought to geographic considerations, to the size of the regions, nor to the density and the relative and possible rate of growth of the population. The commission has ignored or avoided the problems of communication and transport when it divided the province into 74 new electoral districts.

(2) Apparently, the commission was much more concerned with numerical balance than with demographic, geographic and historical facts. Consequently, it has isolated some zones that should have been joined together for the common good of certain areas, both in urban and rural counties.

(3) That the commission has not given sufficient thought to the physical, social and economic cohesion required with regard to several electoral districts that it has established. The commission seems to have or actually has ignored the unity or community of interests and has thus rendered practically impossible an adequate representation in parliament.

In so doing, the commission has not complied with the provisions of section 13 (c) (ii) of the Electoral Boundaries Readjustment Act.

(4) That the commission has erred in law in not complying with the provisions of section 13 of the Electoral Boundaries Readjustment Act (Bill C-72) as adopted by the House of Commons on November 16, 1964.

(5) The commission should have referred to the debates in the House of Commons at the time the bill establishing the commission was introduced especially to page 741 of *Hansard* for March 10, 1964, where the honourable Mr. Pickersgill said in substance that members of the commission should have all necessary knowledge with regard to the region, that is geographic, historical and topographical knowledge, and all necessary information. Apparently, the commission did not have such information or knowledge and has neither heard the representations made to it nor taken them into account, and in particular:

(1) With regard to the county formerly called St. Jean-Iberville-Napierville, the commission has removed 6 parishes from the county of Iberville; they are all 10 miles distant from the town of St. Jean. The commission has added others which are located at more than 40 miles from the town of St. Jean, which is the chief town of that county. Several civic organizations have put forward their representations in this connection, but the commission has disregarded them completely.

(2) The commission, by striking out in the province of Quebec the counties with composite names, has created in certain areas an impression of abandonment among the taxpayers concerned. In particular, the county of Nicolet-Yamaska, entirely revised by the new redistribution, is embraced by the counties of Richelieu, Drummond and Lotbinière. The commission should have kept a name more true to history by calling the new riding of Richelieu "Richelieu-Nicolet" or "Nicolet-Richelieu".

(3) Concurrently, the county of Charlevoix should have been called Charlevoix-Saguenay, since so many municipalities of the former riding of Saguenay are included within the boundaries proposed by the commission.

In the case of Montreal-Ste-Marie, not only has the commission totally disregarded the representations made during the public hearing held in Montreal on August 31, 1965, but it has also ignored the written representations forwarded afterwards to the chairman of the commission, responsible for the province of Quebec, and which confirmed the objections raised during that hearing. In so doing, the commission has brought isolation to a rather large sector of the population of that county. In this specific case, the commissioners as a whole have truly shown that they did not know anything about the geographical realities of an important sector of the county of Montreal. They have, furthermore, in the revised map which they tabled in the house, aggravated the illogical situation which they had previously created in their preliminary report. The commission should not have divided into sections the former county of St. Mary by an imaginary boundary, while a railway track served the purpose of a natural boundary for the eastern boundary of that county.

The commission did not know and obviously still does not know that a block of houses is hemmed in between the boundaries it has proposed and the new county of Hochelaga by a railway track, a viaduct and playgrounds, which keep this portion of the population at a distance of about three quarters of a mile from the county to which it is supposed to belong. The commission acted while being unacquainted with the facts and the geographical and physical situation, contrary to section 13 of the act, in particular to paragraph 3 (sub-paragraph i). In addition, the commission did not take into account the population increase anticipated for that county, since the Habitat 67 project to be erected on the Expo site is included within the boundaries proposed for the riding of St. Mary and will result in an increase of 2,000 inhabitants in that county, without mentioning the difficulties in communication which will be created when one thinks that this part will be more easily accessible by the southern shore of the St. Lawrence river or by the MacKay pier, situated in the western part of the city of Montreal.

Furthermore, the commission has reconnected in the map proposed the part of the Lafontaine park, which should have been kept in the riding of Lafontaine for obvious historical reasons. By extending the new boundaries of the riding of St. Mary toward the north, the commission has obviously shown its ignorance of the practical and geographical aspects of that zone.

The commission should revise the proposed boundaries and replace them as follows: the riding of Montreal-Ste-Marie would be bounded on the south by the north shore of the St. Lawrence river, on the east by the railway track of Canadian Pacific Railway, on the north by Rachel street up to Papineau, and on the west by Papineau street toward the south up to Sherbrooke, then towards the west on Sherbrooke up to Amherst and toward the south up to the St. Lawrence river.

• (12:00 noon)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I was listening yesterday to hon. members speaking on redistribution in Ontario, and not on objection No. 18. The same thing is happening for the whole country. It

is happening for Quebec too naturally. It is because these questions of redistribution are rather ticklish for all members. We regret the loss of a little part of our riding. We cannot object to having something added to the riding we are currently representing. In short, we are witnessing some remarkable fancy skating.

This morning I met representatives of municipalities such as Lucerne, Deschênes, Aylmer, not far from the riding of Hull. The reason is that they prefer remaining in the framework and the boundaries of the present Gatineau riding rather than being added to Hull.

From the geographical standpoint, I feel the city of Hull is poorly divided as an electoral constituency. In fact, the northeast part of the city is in Gatineau riding, while the area generally known as "old Hull" is included in the constituency of Hull, comprising the municipalities of Gatineau Point and Gatineau as far as Buckingham. It is quite natural for the city of Hull to be located in the same riding. So much for the neighbouring areas.

In our area, according to the proposed redistribution, three constituencies will be established instead of two: Villeneuve, Témiscamingue, Abitibi.

The riding of Villeneuve which I now represent is mainly a mining constituency. All the mining towns are included in Villeneuve constituency.

According to the redistribution, the riding is split in two with the eastern part of the city remaining in Villeneuve, while adding the municipality of Senneterre along with farming or lumber municipalities and maintaining, as mining area, Val d'Or, Malartic, Cadillac.

On the other hand, the mining municipality of Rouyn-Noranda, metropolis of northeastern Quebec, is added to the constituency of Témiscamingue. The riding of Témiscamingue will run from the city of Témiscamingue to Rouyn-Noranda. The north, that is Chapleau, will be called Abitibi.

As to the names of the constituencies, we have no objections. But when we were invited by the chairman of the commission, I think it is the redistribution commissioner, to take a look at the new boundaries and to study them, we accepted. We made representations that were not heeded.

For instance, in the constituency of my colleague, the member for Chapleau (Mr. Laprise), small municipalities which should normally be in the same riding, are being separated. Representations were made but not heeded in the least. For this reason, on January 19, 1966, the representation commissioner advised you and I quote:

> I must tell you that I no longer have the physical resistance required to fulfil all these functions and tasks.

The commissioner was right, at the time. If he realized that he did not possess the physical resistance—and you are aware that physical health reflects on the mental state—I believe that before presenting these boundaries, he should have given his place to someone physically capable of continuing the consideration of these electoral boundaries.

Mr. Speaker, it seems to me that the representation commissioner led the various commissions and committees by the nose —with a ring through the nose being pulled. We have been unable to meet those people. When we had the opportunity to meet the commissioner himself, he took due note of our comments. He was good at taking notes but he failed to heed our suggestions.

That is why we are faced with a paradoxical situation; 158 federal members have signed petitions to complain about and object to the proposed redistribution. Mr. Speaker. 158 members of all political parties represented in the house out of a total number of 265, this is a handsome majority. Even though 158 members object to the new boundaries, their objections are still being ignored. We are allowed to discuss the matter, but we are pretty sure that the boundaries will be established as proposed at present.

We heard in the other place, Senator Pouliot protesting vehemently against the new redistribution and making much of the fact that 158 members had objected to the new boundaries. Senator Pouliot suggested that a parliamentary committee should be established to look further into this matter of distribution rather than accept it as submitted at present.

Mr. Speaker, as far as the redistribution in the province of Quebec is concerned, no member would object to part of a riding being added to his own for fear of losing votes. This is elementary. But it creates a good impression to object to losing votes; it means that the voters lost are being missed. There are ridings throughout the province of Quebec. We lose a federal riding: we shall have 74 ridings instead of 75.

I find that in Montreal, ridings are added, while the number of rural constituencies is reduced. The chief electoral officer or representation commissioner should have considered that in Montreal, a riding of 50,000 or 75,000 voters is quite normal.

It is normal; people live in huge buildings, all within a few blocks. It is easy then to meet 50,000 people, whereas in a rural riding it is not the same thing.

In a riding like Drummond-Arthabaska, one must cover quite a lot of ground to meet 50,000 people. In my riding, 50,000 people are spread over a distance of 125 miles, whereas in Montreal half a square mile is enough to meet that many.

The representation commissioner should also have taken into account the fact that, in the city of Montreal, 45 to 50 per cent of the electors go to the trouble of voting. Is it very important, in that case, to create more urban ridings? On the other hand, in rural ridings, 75, 80, 85, 90 per cent of the people vote. There have been by-elections in two Montreal ridings, namely Laurier and Saint-Denis. The results show that 42 and 43 per cent of the people voted whereas almost 60 per cent did not. Those people are not interested in going out to vote. Why give them additional ridings? It seems illogical to me.

Let us have rural ridings and let us keep them because the people in them go out to vote, they take an interest in politics, they know what is going on in politics. In the city of Montreal, quite often, if you ask someone who is the Minister of Justice in Ottawa, he does not even know. If you ask at what level the coming elections will be held, what election campaign is under way, some might say that it is a federal election. They do not even know that the election is provincial. No one is interested in municipal, federal, provincial elections. The hon. member for Hochelaga (Mr. Pelletier) knows that, because it is the same thing in his riding; people do not know what is going on and do not want to know.

• (12:10 p.m.)

Mr. Speaker, the representation commissioner did his work badly. I said that the first time we had a chance to speak of redistribution, when he stated himself that he was physically incapable of discharging his duties. It is not enough to say it, he must do something about it.

With regard to the members of those provincial committees responsible for setting the boundaries, some of them, in the province of Quebec did not know anything about federal redistribution. Would it not have been fairer to have the work done by a parliamentary committee made up of people interested in federal redistribution? Moreover, hon. members could have been consulted. When a riding is broken up, divided or taken apart, the matter should at least be discussed with the member.

I think that there was a redistribution in 1947. At that time, the members had been asked to attend a round table conference and to discuss the matter with the representation commissioner. When a parish had to be transferred to another county, we talked the matter over. Everything went fine, without any animosity or bitterness. Of course, it was in 1947, that is 19 years ago.

[*English*]

Mr. Kindt: Mr. Speaker, on a point of order, a photograph has just been taken in this chamber. I would suggest that every effort be made to determine who the person was who took it so as to help the officers of the house.

Mr. Speaker: Order. The matter is being looked after by the security forces of the House of Commons.

[*Translation*]

Mr. Caouette: Mr. Speaker, I thought that the hon. member wanted to take my picture. I was wrong. It would have been the greatest souvenir of his life. Maybe he wanted to get into the picture, but he is too far away.

Mr. Speaker, the commissioner knows that the members do not accept these new boundaries. Why have the views expressed by the members who appeared before that commission and who have been consulted not been taken into consideration? They were told: Oh, yes, yes, we make notes. Finally, when the electoral map was presented, it was still the same thing, the same boundaries.

Mr. Speaker, I hold the representation commissioner responsible for that situation. In the past, people were satisfied, and the commissioner must have realized it. But now 158 members, Liberals, Conservatives, members of the New Democratic Party and some of my own group, two independents—the whole party—have objected to certain aspects of those boundaries.

Mr. Speaker, I do not want to take any more of the time of the house today. But I do say that I give my whole-hearted support to the remarks made by Senator Jean-François

Pouliot, namely that irresponsible people had dealt with the boundaries concerning the new federal constituencies. I endorse what he said in the other place.

The whole question should be brought back before parliament, where we should initiate a parliamentary committee, on which members and even senators could sit, so as to do justice to the counties as a whole and to the members who have complained.

Mr. Speaker, I placed a bill on the order paper of the house, that is Bill No. C-143. I would have liked this bill to be passed before consideration of the redistribution. We did not request the unanimous consent of the house in this regard, so that the redistribution will undoubtedly have been implemented when the bill comes before the house. Bill No. C-143 will then be useless.

This bill pointed out the importance of creating a parliamentary committee to consider the new distribution and to establish fairer, more sensible and more logical boundaries than those proposed in the present report on redistribution.

Under these circumstances, we could have told the commissioner to take a rest, because he no longer has the physical capabilities to perform this job. Then, we could have retained the services of a qualified commissioner, who could have dialogued with the members who will be losing their ridings tomorrow or will be two to represent a county, like for my county. Once redistribution is accepted, there will be the member for Villeneuve and the member for Témiscamingue and Chapleau county will no longer exist.

In the ridings of Hull and Gatineau too, there will be changes.

Mr. Caron: There will be two members for the same city.

Mr. Caouette: Two members for the same city, probably. After the election there will nevertheless be two members in the same city.

For all these reasons, I believe I must call the attention of the house to the importance of setting up a parliamentary committee to recheck the distribution and to endeavour to give satisfaction, not only to members who are here, but to those of tomorrow, and mainly to the people of those constituencies.

Speaking of my riding, people are not satisfied with the separation of Val d'Or, Rouyn, Noranda and Malartic from Rouyn-Noranda. Though the chief electoral officer says geography requires such changes, it does not change the total number of votes. From the geographical point of view, the population of the constituencies of Chapleau and Villeneuve was well within the requirements of the Election Act when introduced and passed last year. They simply wanted to carve out of these ridings Ladysmith, Quyon and Campbell's Bay, which will be added to Gatineau.

• (12:20 p.m.)

Mr. Caron: That becomes Pontiac riding.

Mr. Caouette: In the north, Chapleau county is chopped up. Magic tricks are performed with these ridings. It is incredible. An acrobat member might succeed, but some parishes have to be jumped over to reach the end of the riding. The people who have determined those boundaries have probably never seen the area.

Mr. Speaker, for all these reasons, I feel the house should, at the earliest possible moment, approve the principle of a new parliamentary committee to study the electoral map and to proceed in such a way as to give justice to the people involved.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I have no intention to raise any complaints over the new boundaries proposed for the constituency of St. Hyacinthe. The municipalities that are being added to the new Saint-Hyacinthe riding are most interesting, their populations are most pleasant. I look forward with great pleasure to the opportunity of meeting the inhabitants of these new municipalities and to discuss their problems with them.

My constituents, however, would be greatly disappointed if I were to fail to call attention to the dissatisfaction they have expressed to me upon learning they were being removed from the present constituency of St. Hyacinthe.

The commission has apparently adopted the policy of removing hyphenated names. On this point, I cannot agree entirely, because I do not see any inconvenience in designating a federal riding by the two names of the provincial counties which make up the constituency, since it is one method of identification for the people who make up the federal riding. There are no municipalities where

people failed to express to me their dissatisfaction on learning that they were being removed from my riding to be transferred to another constituency. Representations were made by political associations, others by municipal councils and it seems that members of the commission were not at all interested in the opinions expressed to them by people who heretofore made up the constituency of Saint-Hyacinthe-Bagot.

As an example, I cite the case of the municipality of St. Simon de Bagot, which is part of the St. Hyacinthe district and which has contacts on economic, financial and educational matters, with St. Hyacinthe. This municipality, and many others located within a short distance of St. Hyacinthe, find themselves transferred to a neighbouring constituency. If my memory serves me, it is to the constituency of Drummond.

It seems, Mr. Speaker—it not only seems, it is a fact—that to set the proposed boundaries, all thoughts of regionalism have been eliminated precisely at a time when municipalities join together to preserve and promote regionalism, as well as the local usages and customs of the inhabitants of these constituencies.

All the factors involved in the grouping of municipalities have been totally ignored. To my mind, a major error is being committed.

The same procedure as in the past should have been followed, by adding to certain ridings which did not have the required quota of population, the necessary number of voters, some municipalities neighbouring on the present boundaries of the existing ridings. Thus, regionalism, the significance of economic rural and cultural centres which already exist among our people, would have been respected.

As for the constituency I represent here, there are approximately 60,000 residents within its present boundaries.

The first thing the commission should have done would have been to include the whole provincial riding of Bagot in the new constituency of Saint-Hyacinthe. Thus, a population of 65,000 or 66,000 would have been obtained.

My good friend, the member for Chambly-Rouville (Mr. Pilon), would not have been deprived of voters and supporters whom he is surely very sorry to lose. On the other hand, my good friend for Drummond-Arthabaska (Mr. Pepin) would not consider with as much apprehension the inclusion of long-standing Conservative strongholds which will surely give him trouble in the next election.

Mr. Pepin: It might have been true at one time, but they have already changed.

Mr. Ricard: Unanimous consent would have been given to a very efficient method of effecting a new redistribution.

As I said earlier, the representations made have been ignored.

I have here copies of the representations made to the commission by the Progressive-Conservative Association of the Saint-Hyacinthe-Bagot riding. Other representations were also made by the municipality of Saint-Hugues and by various other municipalities, but I do not have them here. All stated, however, that the commission had completely overlooked the fact that St. Hyacinthe has long been considered as the natural centre of the area where the municipalities being transferred to another riding have always transacted their business, whether economic, financial or educational.

• (12:30 p.m.)

For instance, the St. Hyacinthe regional school district comprises all the ridings and municipalities in Bagot county. It would certainly disappoint them very much if, sooner or later, they were to belong to another riding.

I have here copies of a newspaper, *Le Saint-Laurent* of Rivière du Loup, in which the writer, Senator Jean-François Pouliot, expresses well the opinions and impressions to which the revised electoral boundaries have given rise.

I shall only mention the titles, Mr. Speaker, to show you how strong the reaction was.

In the July 29 issue, the writer in question entitled his article:

The madness of the new wave.

In his article he says, and I quote:

A revision of electoral districts is merely a readjustment of the boundaries of electoral districts so that these might be more equitably represented in the Canadian Parliament.

He finds fault with the way redistribution has been planned.

His second article, published in the August 12 issue of the same paper, was entitled:

The rage to destroy everything.

In his article he endeavours to justify what has been recognized till now, that is, the ridings now recommended.

His August 19 article was entitled:

Quebec disfigured by the Langlois Commission.

All this, Mr. Speaker, to say that surely the right thing was not done, that is to say that the true picture of the province of Quebec was not taken into consideration and that the new ridings will cause such transformations as will create much confusion among the people.

I deplore the fact that I will lose a good number of my electors who in the past have always shown me great consideration. I am not speaking from a political point of view, as the smile of the Minister of Mines and Technical Surveys (Mr. Pepin) would indicate. Never in my dealings with my electors, have I allowed their political affiliations to influence me, for I feel that I am here to fulfil my duty as a member of parliament, and in that role I do not think of the person I am speaking to as Liberal, Conservative, Creditiste or other. I merely want to help.

It is with a deep regret that I will leave these people for my relations with them have always been excellent in the past. I am grieved that, in the near future, these relations will be brought to an end.

For those reasons, Mr. Speaker, I feel the commission should think it over and consider the objections brought forward in this house, which, for the most part, have not been made in a partisan way but simply to meet more adequately the wishes and needs of the population.

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I will try to keep my remarks as general as possible.

The house is not without knowing that I was supposed to talk on objection No. 3. But since the matter seems to have been solved because it has been deferred to the commission concerned, I would like to make a slight digression, to thank my colleague from Quebec East (Mr. Duquet) who was kind enough to substitute for me and justify my opposition.

I must add that I had a very good excuse because last Wednesday I was visiting the ridings of metropolitan Toronto, where I saw for myself that my colleagues from Toronto enjoy certain advantages of which we are a little envious.

I would even add another digression, Mr. Speaker, at the risk of surprising some of my colleagues. The delegation which visited metropolitan Toronto and of which I was a member was made to feel warmly welcome. We were overwhelmed by the hospitality extended to us and will remember it for a long time to come. I wish to thank the citizens of Toronto. We rediscovered Toronto, we saw a new side of it.

And now, coming back to redistribution, my remarks will be of a general character. I have been listening for several days to everything that has been said on that subject.

What strikes me, as a newcomer, is precisely that the protests are coming from all quarters. Reference was also made to the bitter protests of the hon. senator whose name was mentioned a little earlier; his stand does not surprise those who have followed his career, but they are perhaps too harsh, under the circumstances, even if there is some truth in what he says.

I also listened with much attention and read with interest objections from all those who are against the new redistribution. I think just the same that it is a little impressive to see over 150 members and several distinguished people, who have had experience in elections, protesting against that redistribution.

That is precisely what must make the house take notice and find a compromise which might be satisfactory.

Of course, any redistribution is painful, it never goes without hurt; everyone knows it and has always known it.

In spite of all, I think that until now objections have been very constructive. None of the members protested simply because his party had been disadvantaged or his chances of being elected had been endangered.

However, some criteria have been forgotten. From all I have heard and seen, it seems to me that not enough consideration was given to what I would call regional homogeneity. Up to a certain point, efforts were made to divide what the Creator had united because there are regional areas which live together and whose needs are similar. I do not find it logical to cut into such a whole.

As an illustration of my assertion, I shall refer to my riding which I know best. Some parishes have been taken away whose people seem resigned to go to the riding of Berthier. Some 3,000 of my electors have been taken away from me to be given to the hon. member for Berthier, which is not so bad if one considers the fact that most of them did not object. But Trois-Rivières-Ouest, which is part of greater Trois-Rivières, was removed from the constituency.

The people from Trois-Rivières-Ouest work in Trois-Rivières and go there every day to do their shopping.

Those people will be far removed from their member—I do not know how many miles—and for their business of the riding they will have to go as far as Saint-Michel-des-Saints.

I have been trying to find a semblance of logic in that, but without success. Besides, the municipal council of Trois-Rivières raised an objection and I think that the commission should listen to such an objection.

• (12:40 p.m.)

If I consider redistribution from a personal and selfish viewpoint, I am perfectly satisfied. The riding of Trois-Rivières, to which Cap-de-la-Madeleine will be added, will certainly be the finest, whatever my colleagues may say.

Cap-de-la-Madeleine is a city of miracles. In my case, politically speaking I am interested in miracles and I am inclined to thank the commission for what it has done for me.

As a member, I understand the sensible and logical representations which come from those who will be removed from that riding. I emphasize the case of Trois-Rivières-Ouest and I would have liked to make similar representations for the five or six other municipalities. One has to make the best of it. There is no use objecting indefinitely. If I kept Trois-Rivières-Ouest, I would have 3,000 more electors. The member for Trois-Rivières could absorb 3,000 more electors. First, as far as I am concerned, there would not be no problem of distance. Those people live one, two or three miles away from the office of the member for Trois-Rivières and of those who will come after me. Therefore, it is quite natural to leave them as they are. That is my first point. Once again, it seems that the natural entity of groups which have a natural homogeneity was not taken into account.

Another point, even at the risk of being repetitious, names were mentioned in those objections but I should like to insist at least on the retention of our name. My county is called Three Rivers in English but there is no such thing. A federal act was passed, in 1953, to the effect that my riding must be called Trois-Rivières. It was sanctioned by a provincial statute in 1937. Those who are interested in legal texts may consult Statute I, George VI, chapter 106, section 1, as far as the provincial act is concerned. For the federal act, it dates from the time the Election Act was passed in 1952.

I ask my hon. colleagues not to consider as fanatism my insistence for the retention of the name of my riding and of my city. I thank the hon. members who were kind enough to accede to my request. However, again yesterday, it was called Three Rivers in *Hansard*.

It is also important for several other ridings to give names having a meaning and evoking something.

I am coming to the conclusion of my remarks. I would like to propose a solution which might be satisfactory.

Approximately 150 members made representations in 27 different objections. I noted that several of these objections are not very serious. I do not want to throw discredit on them but they do not seem to raise serious objections. In many cases, they only deal with details. When it has to do with a name, it is easy to bring a solution. Some members made representations while they seemed ready to resign themselves. They do so for conscience's sake, because some of their voters protested to them. They do not seem to insist too much. They seem ready to accept the recommendations for the readjustment of boundaries.

The commission could perhaps yield to these objections which are not too serious, for instance in the case of a name or of minor changes of boundaries.

Some members do not insist too strongly on winning their point; they are willing to yield after having made their representations; they are resigned to the settlement of the case. Only a few ridings would remain to be revised in each province.

With the unanimous consent of the house, an advisory committee of claims could be set up, made up of members of all political parties and the independents, as well as a few senators having a greater experience of elections. I think the Electoral Boundaries Commission would be happy to benefit from the suggestions of this joint committee of revision, which would seek to find solutions to the most serious cases.

Some cases are so illogical that they seem almost incredible. My hon. colleague for Champlain (Mr. Matte) gives away the best part of his constituency; in fact, he loses Cap-de-la-Madeleine with 57 municipalities spread over a very large territory. It is almost inhuman to impose such a thing upon an hon. member.

Again I say that from an egoistic point of view, I am satisfied because I find this sensible and logical, but I support the request of

the municipal council of Trois-Rivières-Ouest, which wants to remain in the constituency of Trois-Rivières.

The house should appoint a joint committee, comprising all members of the house and which would act in an advisory capacity to solve the most serious cases, particularly in view of the fact that we are told this state of affairs must be reviewed in 1972. Those periods are too short. We should try and find final solutions which could be used for 25 to 30 years.

Mr. R.-E. Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, the few remarks I have to contribute to the debate will be short and precise.

In the last two days we have heard, from all parts of this house, echoes of disappointment caused by redistribution in a great many ridings of each province. To raise the commission's spirit, I shall say immediately, at the very beginning of my remarks, that the people of Argenteuil-Deux-Montagnes accept, in principle, the recommendations of the commission dealing with the geographical limits of the riding. The main reason for this satisfaction, naturally, is the fact that nothing was taken away from us, that we are left with all the assets which are ours, with all the variety and diversity of interests which is our characteristic and, what is more, because the most attractive flower of Terrebonne, namely St. Sauveur-des-Monts and the municipality of the parish of St. Sauveur, was added to our garden.

Farming and handicraft centers, quaint touristic and holiday resorts, drawing hundreds of thousands of visitors, St. Sauveur Village and St. Sauveur parish will give Argenteuil-Deux-Montagnes new reasons for pride and all the citizens of this constituency welcome them most cordially.

I wish to extend my condolences to the member for Terrebonne over his loss which becomes our gain, but we are confident we may provide the added population with the same effective and dignified representation it experienced under Messrs. Cadieux, Nantel, Chapleau and Masson.

Besides, we are happy to call on the citizens of St. Sauveur to share our pride and our history, take their place at the discussion table and have their say in community matters.

The constituency of Argenteuil-Deux-Montagnes is particularly proud of its history,

Mr. Speaker, and its sole objection to the recommendations of the commission bears precisely on one point: the citizens protest unanimously and strongly against the proposed cancellation of the words "Deux-Montagnes" to reduce the name to "Argenteuil" only. By one stroke of the pen the commission deletes a name which fills very remarkable pages of our history and traditions, local, provincial, and federal as well.

Our request is very simple. We wish to keep intact the name of the county, that is "Argenteuil-Deux-Montagnes", and this request being simple and easy to grant, we urge the commission kindly to take it into account.

• (12:50 p.m.)

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, taking part in this discussion on the objections for submsision to the Electrical Boundaries Commission for the province of Quebec, I should like first to endorse the earlier remarks of the member for Trois-Rivières (Mr. Mongrain) when he said that an electoral redistribution is always a painful operation.

I suggest, Mr. Speaker, for the benefit of the commission, that this operation is all the more painful when a member of this house sees his riding completely removed from the electoral map. Since we started discussing this legislation, I made every effort, with the support of my party, to have a tolerance of 33⅓ per cent accepted, so that we might keep our constituencies.

Since we were unable to obtain a 33⅓ per cent tolerance for Nicolet-Yamaska, where the population numbers 46,000, the commission was compelled to work with a tolerance of 15, 20 and 25 per cent. Subsequently, we, on this side of the house, used every possible means to ask parliament to appoint a representative of each of the main political parties on the commission in order to advise the commissioners on the procedure to be followed in effecting the new redistribution.

When I heard earlier the member for Trois-Rivières suggest setting up a board of review made up of representatives of political parties, I remembered that after a discussion of many weeks, unfortunately our suggestion was not accepted. I realize today with much regret that there is no possibility of maintaining the constituency of Nicolet-Yamaska which is well known throughout the province and the country.

Further, the people of the electoral district of Nicolet-Yamaska find that their riding is being split up among the three following ridings: Lotbinière, Richelieu and Drummond.

Mr. Pepin: They are lucky.

Mr. Vincent: The Minister of Mines and Technical Surveys says they are lucky people. This is not what I have been told repeatedly for a year and specially so, since we have had the second report from the commission.

When you work in a riding, when you have come to share the same way of life, you want to keep your identity. I believe the voters of Nicolet-Yamaska wanted, in any way possible, to keep their identity, their name, the name of their constituency and, also, their own federal member of Parliament.

Mr. Speaker, since there is no possibility, as far as I can see, of doing anything whatsoever to keep the riding of Nicolet-Yamaska, I am going to try a final appeal to the commission. In saying a final appeal, I believe a number of persons will realize in a few days the meaning of it. Here it is: A great part of the riding of Nicolet—including the city of Nicolet—runs toward the county of Richelieu. We know that the name of Nicolet applies to a diocese, a river, a city and that it is also a historical name giving—to the people hearing or naming it—the exact location of the place where the Nicolet area is located in the province of Quebec.

We were told that hyphenated names were to be avoided, as far as possible, in the case of electoral constituencies. As we can see in the report of the commission, in some provinces other than Quebec, hyphenated names have been kept. I should like here to tell the commission for the province of Quebec that I have no objection to the name of Richelieu, but I should like the new riding to be called Richelieu-Nicolet or Nicolet-Richelieu. I am sure my colleagues in the house will support me in this, as will the hon. Minister of Mines and Technical Surveys who represents a beautiful county included in the diocese of Nicolet. I am sure he, too, will want to keep the name of Nicolet on the federal map. I also sincerely believe that the Minister of Justice (Mr. Cardin) who will represent the riding of Richelieu until the next federal election will not object to adding the name of Nicolet to that of Richelieu, to make up the riding of Nicolet-Richelieu or Richelieu-Nicolet.

If the members of the commission study this important matter properly, they will find that the people of my county hope the new riding now called Richelieu will be named Richelieu-Nicolet or Nicolet-Richelieu.

Furthermore, Mr. Speaker, I had the opportunity to make this suggestion in my region and I had the support of everyone, some even saying that if the riding could not be called Richelieu-Nicolet—and I do not think the commission will object to the name—it should be called the riding of Lac Saint-Pierre, a name much more representative of our region.

Mr. Speaker, in conclusion, I repeat again that it is hard for a member of the house who took an important part in the politics of his riding, particularly in three consecutive elections, and who knows almost everyone there by their name, to see his riding swallowed up by three different counties in the space of a few days. It is very painful.

Mr. Speaker, I conclude on this note, thinking earnestly that the commission will at least study the proposal which I am making.

Further, I almost urge the commission to keep the name of Nicolet for this new constituency called Richelieu.

The Acting Speaker (Mr. Rinfret): Are there any other members who want to take part in the discussion of objection No. 18? This objection having been considered by the house, it is the Speaker's duty, pursuant to section 20 of the Electoral Boundaries Readjustment Act, to refer the report of the Boundaries Commission together with a copy of objection and also a copy of the debates of the house back to the commission for consideration thereof.

The house will now proceed with consideration of objection No. 27. On February 18, 1966, Mr. Speaker was presented with a notice of objection followed by a motion in the following terms:

Proposed Electoral Districts of the Province of Quebec:

That, pursuant to section 20 of the Electoral Boundaries Readjustment Act (chapter 31, statutes of Canada 1964-65), consideration be given by this house to the matter of an objection to the provisions of the report of the electoral boundaries commission for the province of Quebec, laid before this house by Mr. Speaker on Wednesday, January 19, 1966, for the reasons hereinafter specified.

That the commission in revising the boundaries of all the electoral districts of the province of Quebec has not taken into sufficient account the social and economic factors as well as the community interests affecting the people of the province of Quebec. Furthermore, the commission has not taken into consideration the sparsity, density or relative growth of the population of the various regions of

the province, the accessibility, size or shape thereof, as is provided for by section 13 (c) (i) and (ii) of the Electoral Boundaries Readjustment Act (13 Eliz. II, Chap. 31)

That the commission reconsider the boundaries of all the electoral districts of the province of Quebec, taking into account the said social and economic factors as well as the community interests and the relative rate of growth of the population.

That the boundaries of all the electoral districts of the province of Quebec be revised, consideration being given to the above-mentioned factors, as provided for by section 13 (c) (i) and (ii) of the Electoral Boundaries Readjustment Act (13 Eliz. II, chap. 31)

• (1:00 p.m.)

[*English*]

Mr. Ian Watson (Châteauguay-Huntingdon-Laprairie): Mr. Speaker, when the Electoral Boundaries Readjustment Act was passed I think all hon. members without exception supported its principles and aims. Very serious objections were raised in the debate before the act was passed and these objections were largely overcome because the government included section 13. This section contains the following words which made the whole thing palatable to a majority of members of the house. I will read the opening paragraph of section 13:

In preparing its report each commission for a province shall be governed by the following rules:

I will skip paragraphs (a) and (b) and go to (c):

the commission may depart from the strict application of rules (a) and (b) in any case where

(i) special geographic considerations, including in particular the sparsity, density or relative rate of growth of population of various regions of the province, the accessibility of such regions or the size or shape thereof, appear to the commission to render such a departure necessary or desirable, or

(ii) any special community or diversity of interests of the inhabitants of various regions of the province appears to the commission to render such a departure necessary or desirable—

I think it is fair to state that it was the understanding of all members of the house that the commissions for the various provinces would apply these rules, that they would sent people out to the various constituencies to find out what these communities of interest were, that they would hold public hearings to find out what geographic factors and community of interest factors existed and would then act upon what they had found out through investigation by their own officials and at public hearings.

What has been the result in most of the provinces and with most of the commissions involved? I would submit that in at least five provinces the commissions have not done what I feel they were morally obliged to do under the terms of section 13 (c) of the Electoral Boundaries Readjustment Act. The commission for the province of Quebec did not, to my knowledge, send out representatives or officials to investigate local community of interest factors. In most instances, because of the method by which notice was given, communities, municipal councils and so on did not have time to make formal objection to the commission and consequently with the exception of a few areas objections were not legally made to the commission.

A great many people appeared at the hearings and were ruled out of order by the commissioner. He was entitled to do this under the terms of the act. But if a little more leniency had been shown, I submit he would at least have been following the intent of the act, which the House of Commons certainly directed the commission to do when it passed the act.

In my part of the country—and I am using this area simply as an example—under the present constituency limits there are five constituencies squeezed in between the St. Lawrence river, the American border and the Richelieu river. These five constituencies are in a geographic triangle and each of them has a population which with one exception is very close to the 70,000 average established as a standard for the province of Quebec.

One would have thought that under those circumstances the commission would have tried to make as few changes as possible in the boundaries. Instead they have simply drawn lines starting at the westernmost part of the province of Quebec where the St. Lawrence River crosses the American border, have gone eastward until they had a population of 70,000, drawn a line from the St. Lawrence River to the American border, and then they proceeded eastward and repeated this process. In so doing, Mr. Speaker, they have destroyed several community of interest areas which have existed since the region was colonized 150 years ago.

Quite frankly, I think the reason for our passing this act was to improve our democracy and the representation in parliament of the Canadian people. If the result of this redistribution is the reverse of that objective, surely the commission should at least study the situation and reconsider its decision in the light of objections which have been made. I think in a democracy like ours the most

important principle of all is that it should be the aim of every level of government to provide citizens with the most effective way of exercising their influence upon government through their elected representatives. The commission was set up with this object.

It was hoped when we passed the act that when the work of the various commissions was completed Canadians from coast to coast would be more equally represented in the House of Commons than they had ever been in the past. I am afraid this is just not going to be so. When people in a constituency have worked together for generations in regional organizations, which in my area range from livestock exhibitions and purebred livestock clubs to hospital, recreational and school associations and committees, when they are concerned with water problems along an entire river valley, when they are linked together by trading patterns and communications, have a community of interest in waterfront development along the St. Lawrence River and share a regional approach to industrialization and agriculture, the commission should be prepared to recognize such areas of common interest and give consideration to them when redrawing electoral boundaries. This was the whole purpose of their holding public hearings. They did not know about these community of interest factors and the hearings were to inform them in this regard.

It would appear that in the province of Quebec at least, with one or two exceptions, the commission ignored the objections made to them. I am informed that this was the case in Ontario, British Columbia, Alberta and Nova Scotia. Quite frankly, I submit that those commissions which ignored objections made to them at the hearings are ignoring the express wishes of the House of Commons and are, I believe, at least morally not fulfilling the obligation which we placed upon their shoulders when we passed the act.

• (1:10 p.m.)

I realize that a fantastic work load was imposed upon the commission. They were given a time limit. If they found, however, that the work load was too heavy, I submit they should have come back to the house and asked for more time. I realize that the work load imposed on the commissioner himself was unbelievable. The result has been that because of the work load imposed on the commissioner and commission, it was simply impossible for them to conduct the full investigation we requested them to conduct when we passed the act. I hope that in the light of the objections filed in the last three months and in the light of the speeches that have been made here in the last two or three days, the commission in the province of Quebec and the commissions elsewhere in Canada will decide to conduct some of these investigations that should have been undertaken in the first place. I feel they will have plenty of time to do this. I do not foresee an election within three years. I believe they have plenty of time to go into this matter thoroughly and completely revise the map of the province of Quebec taking into account community of interest and population growth factors.

By the time the new maps come into effect they will be as out of date as the present maps because the commission has not taken into account the population growth potential of the various areas of the province. I know this is the case with the commission's work in Ontario and I believe there have been similar instances in British Columbia.

One matter that the Quebec commission seems to have ignored completely is the factor of local pride. Local pride is expressed in the names of historic counties. I cannot understand why it should be necessary to remove from the list of constituencies names which have been famous in our historic past, as anyone can ascertain in a history book. In my own case they have eliminated the historic names of Châteauguay and Salaberry. There are no more historic names in the province of Quebec than Huntingdon, Beauharnois and Laprairie. Beauharnois and Laprairie have been preserved. There is no reason why they should not also preserve the other two historic names.

The Acting Speaker (Mr. Rinfret): Order; I regret to interrupt the hon. member, but if I read the proposed objection correctly it relates to social and economic factors. The hon. member is now dealing with historic events. I should like to ask him if he would relate these events to social and economic factors.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): With all respect, Mr. Speaker, I feel that the historic names of counties are the main factor in preserving local community pride. This is a social aspect and for this reason I submit that I am in order. However, I am not going to dwell on this aspect of the matter except to say I have noticed that in Newfoundland they have managed to retain such historic names as Bonavista and Twillingate.

The Acting Speaker (Mr. Rinfret): Order. The hon. member is speaking about objections to the boundaries in the province of Quebec which allegedly fail to take into consideration social and economic factors.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): I was simply giving examples, Mr. Speaker.

As I said at the beginning, the House of Commons agreed to the passage of this measure, which has some rather unique features in it because it gives the commissions the right to render decisions without appeal, the right to render decisions without the house being able to impose its will upon the commissions. We agreed to the passage of the act because of the inclusion of section 13, especially section 13 (c). I was here at the time, and other members who were here will agree that this section was a major factor in our decision to accept the act. However, the commission in the province of Quebec, as did all other commissions in Canada, had a moral obligation to accord some attention to the factors mentioned in section 13(c)(i) and (ii). Quite frankly, in the last year we have seen many fairly pious editorials about the advantages of independent commissions. If these commissions are not prepared to revise the maps and to change their minds and pay attention to the objections that have been made at public hearings, as well as in the House of Commons in the last three of four days, then I suggest that no group of gerrymandering politicians we could have gathered together in this country at any time in our history could have done a worse job.

In spite of the editorials about the advantages of independent commissions I have serious doubts now. I am prepared to accept the original theory that it is a good idea if the various commissions are prepared to show that they are at least acting in good faith and are prepared to take into consideration the geographic, community of interest, and population growth factors which I consider to be the main reasons for the house accepting this act.

• (1:20 p.m.)

I believe we all agree that this debate has been an exercise in futility because the commission is not obliged to accept the objections we are making here. It is not obliged legally to do so. I should like to ask for the attention of all hon. members when I say that the only useful thing we can do is for the house unanimously to pass a resolution which would not change the law or attempt to do so but would simply be a unanimous resolution expressing the opinion of this house that the commission should pay more attention to section 13 (c)(i) and (ii) of the act. If we do this we will be staying strictly within the act and not contravening it in any way or changing one comma.

A resolution of this sort would have no effect unless it were passed unanimously. I should like to read to the house the type of wording which I think such a resolution should have:

That this house respectfully urges the representation commissioner and the other members of the commissions in each of the several provinces to reconsider all objections legally made to their respective commissions in the light of section 13 (c) (i) and (ii) of the Electoral Boundaries Readjustment Act.

I feel, Mr. Speaker, that if we pass this resolution as a body it will have more effect on the commission than any individual objection we could make here. I strongly urge that all hon. members support such a resolution. I should like to read the wording of a porposed resolution in French:

[*Translation*]

That this house respectfully urges the representation commissioner and the other members of the commissions in each of the several provinces to reconsider all objections legally made to their respective commissions in the light of section 13 (c) (i) and (ii) of the Electoral Boundaries Readjustment Act.

I feel, Mr. Speaker, that the only useful thing which could be done today would be for the house to pass unamimously a resolution urging the representation commissioner to reconsider the objections made to the respective commissions under section 13 (c) (i) and (ii) of the act.

[*English*]

I believe, Mr. Speaker, that a resolution of this kind has first to be placed on the order paper, and I would ask unanimous consent of the house to do so. I would then move the resolution, seconded by the hon. member for Grey-Bruce (Mr. Winkler). May I have unanimous consent to place it on the order paper, Mr. Speaker?

Mr. Winkler: On the record.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Yes, Mr. Speaker, on the record. May I have unanimous consent to place the resolution on the record?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): Order. May I inform the house at this time that the Chair has not yet decided whether this motion is in good form and I should like to report it to the Speaker so that a decision can be made. May I say that we have before us objection No. 27 relating to the proposed electoral districts of the province of Quebec. This resolution seems to have a more general scope and is in the form of a recommendation made to the different commissions. However, a decision on this motion will be brought before the house at a later time.

Mr. Winkler: Mr. Speaker, on a point of order in support of the resolution, inasmuch as it is the will of the house, unanimous consent having been given to the resolution, surely we can place it on the record at this time as being the will of the house.

Mr. Chatterton: Mr. Speaker, Your Honour stated that because the question before the house refers only to one province such a resolution might be out of order. May I suggest to Your Honour that there is no way whereby an objection covering more than one province can be submitted. The act restricts the making of any objection to one province at a time. Therefore there is no other way to present a motion to accomplish the apparent purpose of the house, and it does appear to be unanimous.

Mr. Barnett: Mr. Speaker, on the point of order that has been raised, I did not rise to make any remarks while the hon. member for Châteauguay-Huntingdon-Laprairie was speaking because I was awaiting Your Honour's reception of the proposed motion.

As I understand it, we now have a motion before the house. I was not clear what it was the hon. member was asking unanimous consent to do. If he is asking unanimous consent to put on the record something which I understood he had already read into the record, then I would have no objection to that. But it seems to me that if the hon. member wishes to introduce a resolution the normal course of doing so is open to any member without any particular delay other than that entailed by the normal procedure of putting it on the order paper.

So far as I am concerned, Mr. Speaker, if the hon. member wishes to place such a motion on the order paper for the consideration of the house, it seems to me that course is open to him. I cannot quite see where the question of unanimous consent enters into the consideration of his proposal.

The Acting Speaker (Mr. Rinfret): The house has before it at present objection No. 27. It has relevancy to a general recommendation which will be made to a commission. The Chair feels at this time that it is not able to render a decision but will take the matter into consideration and give a decision later.

• (1:30 p.m.)

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Speaker—

The Acting Speaker (Mr. Rinfret): If the hon. member wishes to continue his speech he can, but I should say at this time that the Chair is not ready to give a decision on the validity of this motion.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Speaker, on the point of order, I have completed my remarks on this general objection and I believe that my remarks will complete the objections of the province of Quebec. Therefore, if you wish me to raise this point again after I have completed my remarks, perhaps this would eliminate the argument raised by Your Honour that I made the motion on the Quebec objection. The motion is not an objection but simply an expression of opinion by the house as a whole which we wish to have conveyed to the representation commissioners for all the provinces and the representation commissioner for Canada. I do not really see any other way of proceeding. It looks as if the debate might end this afternoon at the rate we are going.

The Acting Speaker (Mr. Rinfret): Order, please. There will be an opportunity later for the hon. member to make representations beyond the observations he has just made because this motion will be considered by the Speaker's office. The hon. member who has just spoken and other hon. members who wish to make representations may be able to do so later on. Could the hon. member inform the Chair whether that concludes objection No. 27 concerning the province of Quebec?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): The house having considered this objection, it is the Speaker's duty, pursuant to section 20 of the Electoral Boundaries Readjustment Act, to refer the report of the Electoral Boundaries Commission together with a copy of the objection and also a copy of the debates

of this house back to the commission for consideration thereof.

Mr. Caron: Could the objection be put aside until Mr. Speaker has decided this question? If it is disposed of now the amendment will be of no use.

The Acting Speaker (Mr. Rinfret): Is it the unanimous wish of hon. members to have objection No. 27 stand?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): Does any other hon. member have any suggestion relating to the proposal made by the hon. member for Hull?

Mr. Stewart: It seems to me, Mr. Speaker, that we could say that discussion on objection No. 27 has been concluded. This would not have the effect, which I think the hon. member for Hull felt it might have, of obliterating the motion proposed by the hon. member for Châteauguay-Huntingdon-Laprairie. I understood Your Honour's ruling to be that consideration of that proposal would be allowed at a later time, but that as this proposal is of general application it is not suitable for discussion at this time.

The Acting Speaker (Mr. Rinfret): Has any hon. member anything to say on what has just been said?

Mr. Barnett: Mr. Speaker, may I raise a question on the point of order. I may not have correctly understood what has been said but I take it that what has been suggested is that the house by unanimous consent should agree that this substantive and separate motion ought to be put on the order paper in such a way as to allow immediate discussion of it. That is my understanding of what has been suggested.

If that is the proposal I must say that I for one would not feel disposed to be a party to giving unanimous consent to that course of procedure because, as I read the proposed amendment, in granting unanimous consent we are by implication at least giving tacit approval that in each of the several provinces or in any one of them the commissioners and representation commissions have not given due weight to the sections of the Electoral Boundaries Readjustment Act to which the motion refers. I for one would not be willing to imply that I considered that to be the case in every province of Canada.

[The Acting Speaker (Mr. Rinfret).]

Mr. Watson (Châteauguay-Huntingdon-Laprairie): On the point of order, Mr. Speaker, I hope that the wording in the fourth line of the motion will perhaps answer the objection of the hon. member for Comox-Alberni. It provides that the commissioners in each of the several provinces should reconsider each of the objections legally made to the respective commissions. We are only asking them to reconsider the objections which have been legally made to them. In those provinces where objections have not been legally made to them there simply is no problem.

Unless there is unanimous consent this motion obviously is not going to be of use. If there is unanimous consent, I feel that it is the only useful method of impressing on the commissioners and commissions the fact that this house wants them to reconsider all the objections in the light of section 13(c), paragraphs (i) and (ii).

Individual objections in the house do not bind the commissions. In fact, I do not think that all these expressions of opinion bind them either. I would think that the motion would have more moral effect, if the house would give unanimous consent to it, than if we objected individually to the findings of the commissions. I hope that the hon. member for Comox-Alberni will be satisfied with that explanation.

The Acting Speaker (Mr. Rinfret): Order, please. It is the impression of the Chair that at this time there is not unanimous consent to consider this motion. The Chair has that impression from the comments made by the hon. member for Comox-Alberni. It was foreseen that the subject matter before the members of the house would be the different objections. I take it that that is the last objection for the province of Quebec. We will now consider the province of British Columbia, objection No. 16.

I point out that when the hon. member presented his motion he asked for unanimous consent. The Chair at that time had the impression that there was unanimous consent, but after hearing the hon. member for Comox-Alberni and some other hon. members the Chair is under the impression that there is not unanimous consent.

Mr. Fulton: Mr. Speaker, if I understood the hon. member for Comox-Alberni correctly he did not say that he was withholding unanimous consent for the presentation of the motion and the consideration of it by the

Chair. I took him to say merely that by giving unanimous consent at this stage he was no binding himself to agree to the motion if the Chair rules it in order.

I believe I am correct in that, am I not? I took it that the hon. member does not have any objection to the Chair taking the motion under advisement to see whether it is a proper one to be made and considered at this time.

Mr. Barnett: Mr. Speaker, I certainly have no objection to any matter that is placed before the Chair by this house being taken into consideration. I cannot quite see the point of this. As to the question of the motion being in order, I had hoped that the Chair might give that consideration. Quite frankly, Mr. Speaker, from a cursory glance at the motion and from my limited knowledge of the rules it seems to me that there would be little question on this point if a resolution were to be placed on the order paper by the hon. member in the normal course of events. If the resolution before the house by unanimous consent will be dealt with at a later stage after Mr. Speaker has had a chance to examine it, then of course I certainly have no objection to Mr. Speaker considering the resolution.

Mr. Stewart: In view of what has been said just now, may I suggest to Your Honour that you bring to a conclusion formally the discussion on objection No. 27 and at some later hour render a decision on this different question which has been placed before the house.

The Acting Speaker (Mr. Rinfret): Is there unanimous consent to the suggestion made by the Parliamentary Secretary?

Mr. Cowan: Mr. Speaker, I should like to have clarification on one point. If we end the discussion on objection No. 27, does that rule out this amendment? I share the concern of the hon. member for Hull. Does that shut off the amendment?

I was in the house last night when hon. members were discussing redistribution in Ontario. The Speaker today refused to allow the hon. member for Châteauguay-Huntingdon-Laprairie to refer to Newfoundland. I am now referring to Ontario. Whether you wish to rule me out of order or not, I point out that there was some discussion about the hon. member for Simcoe East not being in the house and not being able to speak for ten minutes on some matter he had in his mind.

• (1:40 p.m.)

I have before me a copy of today's *Hansard*. As hon. members will see if they turn to page 4485, the leader of the house was speaking. Reference was made to him by the Deputy Speaker who was then in the Chair and the following exchange took place:

> Mr. McIlraith: If it will help, Mr. Speaker, perhaps we can leave objection No. 7 open. The suggestion agreed to earlier was that we close the discussion at this point and allow the hon. member for Simcoe East to speak for a period of ten minutes on another occasion when he is in the house.
>
> Mr. Deputy Speaker: Is that agreed?
>
> Some hon. Members: Agreed.
>
> Mr. Deputy Speaker: The house having considered this objection, it will be the duty of Mr. Speaker, pursuant to section 20 of the Electoral Boundaries Readjustment Act, to refer to the report of the boundaries commission, together with a copy of the objection and also a copy of the debates of the house, back to the commission for reconsideration thereof.
>
> The house will now proceed to objection No. 9—

This matter was brought up last night and I should like to see an opportunity given to discuss the motion later. I think we should leave the objection open as we did yesterday.

The Acting Speaker (Mr. Rinfret): The hon. member for York-Humber is drawing a parallel with objection No. 7 concerning the constituency of Simcoe East. The hon. member for Simcoe East not being present in the house, unanimous consent was given to reporting this objection at a later date. The hon. member for Châteauguay-Huntingdon-Laprairie has made certain representations concerning objection No. 27 relating to Quebec. But at the end of his speech a motion was presented to the house, one which in my humble opinion was not relevant to the subject matter of the objection in that it was a motion general in scope. I asked the house whether there was unanimous consent to referring this matter to Mr. Speaker and I had the impression that this consent was given. But having heard the hon. member for Comox-Alberni I have the feeling that unanimous consent to refer this motion for consideration by the Chair has been refused. I ask again: Is there unanimous consent to refer this motion to Mr. Speaker for consideration later today?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): So it is understood that the motion put forward by the hon. member for Châteauguay-Huntingdon-Laprairie will be considered by the

Chair and a decision given later. The Chair understands that this does not jeopardize the representations which were made by the hon. member for Châteauguay-Huntingdon-Laprairie in a formal motion. Objection 27 has been decided by the motion I read a few minutes ago. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): Now we shall proceed to the British Columbia, objection No. 16, which is to be found at pages 27, 28 and 29 of the pamphlet.

Proposed Electoral Districts of the Province of British Columbia:

Resolved that, pursuant to Section 20 of the Electoral Boundaries Readjustment Act (Chapter 31, Statutes of Canada 1964-65) consideration be given by this house to the matter of certain objections to the following provisions of the report of the Electoral Boundaries Commission for the province of British Columbia, laid before the house by Mr. Speaker on Wednesday, January 19th, 1966, and to the reasons appearing in the said objections, hereinafter set forth.

The objections to the provisions of the report are as follows:

1. Throughout British Columbia the commission failed to give due regard to special geographic considerations, including the sparsity and density of population of various regions of the province, when they set the boundaries in dividing the province into twenty-three (23) new electoral districts.

2. The commission failed to give proper appreciation and consideration to the accessibility of one region to another region and to the size and shape thereof, in several of the rural electoral districts, when determining the boundaries of the same.

3. The commission failed to take into account, and erred in holding that it could not take into account, population trends as established since the census of 1961; such trends should have been taken into account by virtue of section 13 (c) (i) of the act, and would have resulted in substantial variations from the boundaries laid down in the commission's report.

4. The commission failed to give due effect, and erred in not giving due effect, to special community or diversity of interests of the inhabitants of various regions of the province as set forth in section 13 (c) (ii) of the said act, with the result that areas with a community of interests with each other have been separated as a result of the commission's report, and areas formerly included in constituencies or with areas with which they had a community of interests are included in constituencies or with areas with which they have no community of interest.

5. The commission failed, in addition, to give or pay proper attention to the principle of practical feasibility of a representative keeping in physical contact with his constituents and the constituents' ability to make physical contacts with their representative, thereby rendering adequate representation of the people in parliament a virtually impossible task.

[The Acting Speaker (Mr. Rinfret).]

6. Examples of the results of the foregoing and of the effects of the report to which particular objection is taken are the following:

(a) the exclusion of the Williams Lake and adjacent area from the interior riding of Kamloops, with which it has a complete community of interest, and its inclusion with a coastal area in a new riding, including the Queen Charlotte Islands, the inland and coastal areas of the new riding having virtually no interests in common, contrary to the expressed wish of the community of Williams Lake.

(b) The virtual merging of the former riding of Okanagan-Revelstoke with the former riding of Kootenay East, with the result that the communities of Vernon and of Fernie are included in one riding, creating an area not only without community of interest, but quite impossible physically to serve properly.

(c) The exclusion of the Merritt-Nicola area from the Kamloops riding, with which it has a historic and complete community of interests, contrary to the expressed wish of the community of Merritt.

(d) The exclusion of Quesnel from the former Cariboo riding and its severance from Prince George, with which it has a community of interests and commerce, and its inclusion with Kamloops, with which it has minimal interests and commerce in common, contrary to the expressed wish of the community of Quesnel.

(e) The exclusion of the Queen Charlotte Islands from the coastal riding of Skeena, with which they have a community of interests, and their inclusion in a new riding containing Williams Lake and a vast interior ranching and dry belt area, with which they have nothing in common.

(f) The creation of a situation whereby the Williams Lake area is excluded from the Kamloops-Cariboo riding, while Quesnel is added in on the north, although it is impossible for the member for the riding to get from the southern area of the constituency to Quesnel in any practical sense without going through about seventy miles of the Williams Lake area, in the new riding of Coast-Chilcotin.

(g) The concomitant situation whereby the member for Coast-Chilcotin, in order to get from the coastal areas of his riding (which themselves extend over some 480 miles) to the Williams Lake and interior area will, in practice, have to drive or fly another 250 miles from the coast, through three other constituencies, including the Kamloops riding, to get from the one part to the other of his riding.

(h) With respect to distances, it is essential not only that it be practically possible for members to cover their constituencies, it is also a principle to be followed that constituents should be able physically to gain access to the member to discuss business with him. In three constituencies newly-created, the constituent who wishes to go to do business with his M.P., from Powell River to Williams Lake, from Fernie to Vernon, or from Quesnel to Kamloops—or vice versa—will face a return journey in the order of 820 miles, 800 miles, and 540 miles respectively. In other words, given any time at all for the transaction of business itself, a visit to their M.P. for these constituents would involve a two- or three-day undertaking.

(i) The failure of the commission to take into account the relative rate of growth of the areas of Vancouver ordinarily called the west end and Kitsilano since the 1961 census, resulting in the

new riding of Vancouver Centre having a presently estimated population well in excess of the applicable limit.

(j) The commission failed to give due effect and weight to the representations made and, in particular, failed to give effect to the quite reasonable representations that if large areas of the former ridings of Vancouver Centre and Vancouver-Burrard were to be combined into a new riding, that the new riding be called Vancouver-Granville.

(k) The subtraction of the municipality of Esquimalt from the Victoria riding separates two areas which have many years of close historical association, as well as a remarkable community of interests. The trend of population growths in B.C. is such that at the next redistribution there is every likelihood the boundaries will be broadened again and, for the foregoing reasons, the municipality of Esquimalt is the logical area to then be restored once more to the Victoria riding. It would appear to be advantageous from all points of view to leave the municipality of Esquimalt in the Victoria riding as at present, particularly since the population of the total area is within the limits allowed to the commission as was the expressed wish of the reeve and the council of the municipality of Esquimalt.

7. Application of the principles heretofore referred to, and avoidance of the anomalies and inequities herein listed, would have the result that the two proposed ridings of Coast-Chilcotin and Okanagan-Kootenay could not be brought into existence as presently recommended. They should be eliminated from proposals for new ridings in British Columbia and a new set of riding boundaries for B. C. drawn accordingly.

For the foregoing and such other objections and reasons as the undersigned members may deem necessary to carry out the spirit, terms and conditions of the said act, it is considered essential that the said report be referred back to the commission, pursuant to the said act, together with this statement of objections, in order that the commission may revise its report to meet the said objections and draw new riding boundaries along the lines referred to in paragraphs 6 and 7 above.

Hon. E. D. Fulton (Kamloops): Mr. Speaker, with reference to the notice of objection from British Columbia, which is to be found on pages 27, 28 and 29 of the pamphlet, I would point out first of all that it has been agreed to by representatives of all parties in the house from British Columbia. I wish to make it clear that I and those associated with me in approving the notice do not say that it represents the official position of all parties from British Columbia, but it is significant in my view that this notice has been subscribed to by representatives from all parties in our province. To this extent this motion or this notice is, I believe, exceptional and significant in the light of the discussion we are having.

Others will speak to the motion and will express their own views concerning the extent to which they feel their parties or their colleagues in their parties may or may not be committed through the statements contained in the notice. But so far as I am concerned I can assure you, Mr. Speaker, that all the members of the Conservative party in this house from British Columbia do subscribe precisely and, indeed, vigorously to the representations which are made herein.

It had been my intention to include in the notice words which would have called for a vote of the house so that the house itself might indicate its acceptance or rejection of the representations therein made. It seemed to me that any such representations would carry much greater weight with the representation commission if they were supported by a vote of the House of Commons than if simply a report of discussion were sent back to the commission. However, Your Honour indicated to me that since no other motion had contained such a provision and, since it was desired to follow a uniform pattern, it would be preferable if I omitted those words from the particular motion under consideration. I agreed to do so reserving, however, my right to re-introduce them by way of an amendment to the motion at this stage. This I would have preferred to do. The amendment would simply have added the words "and that this house do approve the same."

However, I have been engaged in activities in another place in this town recently, and I have not had an opportunity to take part in the discussions between representatives of the parties when agreement was obtained as to the manner in which we should proceed. It seems to me, therefore, that at this stage it would be inappropriate for me to attempt to introduce, with respect to this particular notice of motion, a departure from the generally agreed procedure. For this reason I do not intend now to move an amendment to this notice along the lines I would otherwise have pursued. But I should like to make it clear that in refraining from so doing I do not admit for a moment that this house does not have the right, by an appropriately worded motion in this matter, to record its opinion by a vote. I do not intend to follow that course at the present time only because I think it would upset the procedure which has been agreed upon.

In turning now to the matters contained in our notice, the second thing I should like to make clear at once is that by presenting this motion we are not objecting to the principle that redistribution should from now on be decided by an independent commission. As far as I am concerned as a member of the

Conservative party, that is the position. As has been pointed out on various occasions, when we were in government we prepared for introduction to this house a bill with respect to redistribution which incorporated the same principles as the bill which resulted in the matters we are now discussing.

When I said a few minutes ago that representatives from all parties in the house from British Columbia support this motion I should therefore have made it clear that during the discussion held before the motion was drafted it was agreed that the presentation of the motion should not be represented as an objection to the principle of carrying out redistribution by means of an independent commission.

• (1:50 p.m.)

Third, I should like to say we all recognize, and certainly I recognize, the very difficult task which confronted the British Columbian representation commission in trying to incorporate one additional seat into our province and then to carry into effect the principle of relatively equal population in each of the 23 ridings that were thereby to be established.

Especially difficult tasks must face any redistribution commission in British Columbia because of the special nature of our province which arises by reason of its geography. The very rough terrain, the massive mountain chains which run from north to south, transversed only occasionally in an east-west direction by major rivers, the comparative, and here I am making no reflection on the provincial government of British Columbia, but the comparative sparsity of roads and means of communication throughout that vast terrain, all add to the problems. There is further the fact that in our province there is an unusual concentration of population in the southwest corner, what we call the lower mainland area.

While the interior of the province is fast growing and no area is faster growing than Kamloops, nevertheless it does happen that some three quarters of the population of the province is concentrated in an area with a radius of some 100 miles in the southwest corner centred on the great metropolitan area of Vancouver. This, therefore, creates a special problem for any redistribution commission, in meeting the question of how to adjust riding boundaries in the interior, where the vast areas of the province are located which have such a relatively small population, and at the same time creating ridings of a size which are manageable from the point of view of their representation in parliament.

Though recognizing all these problems with which the representation commission was faced I do, however, say with respect to it and with respect to the difficulty of its task that it has nevertheless unfortunately produced in its report certain very anomalous results, results which with respect to at least two of the constituencies it has created make it virtually impossible to give those constituencies effective representation. I shall deal a little later in my remarks with the details of those anomalies, but I do say at this stage that for a variety of reasons the commission has failed properly to apply certain principles. Not only has it failed properly to apply certain principles but it has ignored other principles which should be applied in order to produce an equitable redistribution for British Columbia.

In my view, among the principles which it has applied too rigidly is the principle of equality of population between the various constituencies. I am sure this will be appreciated by the fact I have commented on, namely, that three quarters of the population is concentrated in an area around the city of Vancouver and that if you are going to insist upon such an equality of population between 23 ridings you thereby necessarily create some unworkable ridings in the interior or rural areas. It is this principle of equality of population which I feel the commission has applied too rigidly.

Among the principles I feel it has ignored are those found in section 13(c) of the Electoral Boundaries Readjustment Act under which it was working. I refer specifically to the principle contained in section 13(c)(i) which says that the commission may depart from the strict application of certain rules in any case where:

> —special geographic considerations, including in particular the sparsity, density or relative rate of growth of population of various regions of the province, the accessibility of such regions or the size or shape thereof, appear to the commission to render such a departure necessary or desirable—

As is set out in the detail of our objections, Mr. Speaker, there are many instances of the failure of the commission to apply that relaxation or to take advantage of that relaxation, of the strict rule of equality of population. In particular, in my view the commission has failed to take into account or give effect to the relative rate of growth of population of various regions.

I am going to endeavour to avoid making a specific structure on the commission because, as I have said, I recognize the difficulty of its task. But it is certainly my impression, based upon the attitude of the commission at the various public hearings that were held, that it felt itself bound by the 1961 census population figures. Indeed, I believe members of the commission are on record as saying, "We are not allowed to take into account your views", that is, the views of those appearing before them, "as to the rates of growth that have taken place, the trends of population growth and the shifts that have become evident since 1961."

The commission in being bound by its own rigid, and in my submission erroneous, interpretation of the act, erroneous by virtue of the provisions of section 13(c)(i), was bound to produce certain anomalies, and while I have said anomalies, if you look at one or two of the ridings they are monstrosities, unworkable monstrosities and certainly the commission erred in that it failed to give due regard to the other relaxing principle set out in the act contained in section 13(c)(ii), namely, that it could depart from the strict application of the equality rule where:

> —any special community or diversity of interests of the inhabitants of various regions of the province appears to the commission to render such a departure necessary or desirable.

Those words were not put into the act without purpose. They were put in with the desire that the commission would pay attention to them as being principles parliament properly wished to apply in making adjustments in the constituency boundaries, and the commission has in several important respects completely disregarded that statement of principle.

Next, Mr. Speaker, may I give some examples of the result of the commission's failure to apply these principles I have just read. Before coming to those examples I should say that not only has it failed to apply those principles as they are written but it has failed to apply other principles which are inherent in any approach to the problem of redistribution. These are, first, the principle of accessibility of various parts within a constituency, one to the other and, second, the further principle of the practical feasibility of anyone who may be elected serving his riding efficiently and the practical feasibility of the residents of a constituency obtaining access to their member of parliament when he is back home.

• (2:00 p.m.)

An examination of the proposed map of the redistribution of British Columbia ridings indicates conclusively the disadvantages which will be produced with respect to all these matters unless the commission substantially revises its present proposals. Let me give to the house and record, in the hope that the commission will give very serious consideration thereto, some examples of the kind of things I mean. They are to be found in paragraph 6 and the various sub-paragraphs thereof of the motion which is recorded in the pamphlet at the pages to which I have referred.

In my examples I refer especially to the results that would follow the creation of the two new ridings, Coast-Chilcotin and Okanagan-Kootenay. As a result of the creation of those ridings the following situations will occur. In the one riding of Okanagan-Kootenay will be located the cities of Vernon and Fernie, a riding extending in one great arc from Vernon in the south central part of the province to Fernie in the southeast corner. These are cities which have no community of interests and are quite impossible to serve by one member of parliament.

You will have, for example, in the creation of the Coast-Chilcotin riding, the Queen Charlotte Islands off the coast of British Columbia, one of the most typical coastal areas, having no community of interests with the town of Williams Lake which lies in the interior dry belt area, but both will be included in the same riding.

As a result you will have a riding with areas not only having no community of interests but one which will require a member of parliament, in order to serve the area, having to undertake a journey of some 800 miles first by some means of transport from the Queen Charlotte Islands either to Prince Rupert or to Vancouver—and I suggest the second would be more likely—then travelling from the city of Vancouver up through two Fraser Valley ridings, through a portion of the remainder of the riding of Kamloops and back into his riding of Coast-Chilcotin in order to serve that part. That is an absurdity, Mr. Speaker.

Coupled with that fact one finds that the proposal involves the necessity of the member of what is left of the riding of Kamloops having to go through a part of the new riding of Coast-Chilcotin—that part which has been carved out of the Kamloops riding—in order

to get from one part of his riding to another part which has been added on. You thus have the ridiculous situation of members trying to serve their own constituents having to travel through two or three other ridings in order to get from one part to another of their own.

You will also have the additional situation that the town of Merritt, which presently is included in Kamloops riding and which has a complete community of interests with the city of Kamloops—the residents of Merritt do what business they do not do in Merritt in Kamloops which is only 60 miles away and joined by an excellent highway involving only an hour's drive—in order to make possible the adjustment arising out of these two monstrosities, will be included in Okanagan Boundary, with which it has no community of interests. In other words, this city and area that has every community of interest with its present riding will be put in a riding with which it has little or no community of interest.

The same situation applies to Williams Lake. It has no community interest with the coastal area of the new proposed riding of Coast-Chilcotin, but in order to conform with some notions, of which I am not aware, of the readjustment commission, Williams Lake is taken out of its present riding and included in this new area.

I should say at this stage that with respect to all the communities I have mentioned the chambers of commerce and city councils have all passed resolutions making it clear that they object to what is being done because they wish to be left in the riding with which they have a community of interest.

Similarly, as a result of this proposal Quesnel will be taken out of the present riding of Cariboo, in which it is included with the city of Prince George and with which it has a complete community of interests, and will be included in the new readjusted riding of Kamloops, with which it has no desire to be joined as expressed through a resolution adopted by its municipal council.

I could continue in that way, Mr. Speaker, illustrating the anomalies that arise from the proposals of the readjustment commission. So far I have been dealing only with the geographical factors with respect to the constituencies themselves and the communities of interest. Let me now detail for the house, so this will be part of the record, what these new proposals mean in respect of representation. Let me assure you that I consider as only secondary the convenience of the member of parliament who may represent one of these constituencies. I imagine that members of the public might say: Well, you ran for office; you wanted to be there, so do not complain about the difficulties you have in representing us; if you have to travel a long way, that is up to you. That is an understandable view on the part of the general public, so I am not complaining from the point of view of a member who may run and be elected. On the other hand, I think the residents of a constituency have a right to have reasonable access to their members of parliament, and it is from the point of view of the constituents that I talk now about the distances involved. Surely a constituent of mine or of any other member of this house—the hon. member for Kootenay West (Mr. Herridge), the hon. member for Esquimalt-Saanich (Mr. Chatterton) or the hon. member for Vancouver-Burrard (Mr. Basford)—has a right to have reasonable access to his member to discuss his political business. However, in respect of these new ridings and the constituencies newly created or reorganized, a constituent who wishes to do business with his M.P. in the Coast-Chilcotin riding will have to face a return journey in the order of 820 miles to get from the place where he may live to the place where his member of parliament is likely to live. In the case of the Okanagan-Kootenay riding, if the member of parliament lives in Vernon a constituent from Fernie will face a return journey of 800 miles just to see his member of parliament. In the case of the new Kamloops riding, if the member lives in Kamloops a constituent from Quesnel would face a return journey of 540 miles just to see and do business with his member.

The answer may be suggested that the member should travel around his constituency. Members do that now and will continue to do so, but they cannot be in their ridings travelling around all the time. It should be possible, and it is a right, for a constituent who wants to see his member of parliament to get to the place where he lives and back in what is a reasonable and physically possible manner.

I know that other members from British Columbia will be dealing with matters particularly relevant to their areas. What I have tried to do in my remarks is outline the general objections and anomalies which will be created. I do not wish to detain the house any longer and will leave it, therefore, to

others to deal with other problems, problems relevant to the lower mainland and the Vancouver island areas. But I hope that what I have said in outlining the general principles, and the specific illustrations which I have given, will be enough to convince any reasonable person that the B.C. redistribution commission—and certainly I include its own members in that definition—should scrap its proposal and, as I humbly and respectfully suggest, start all over again.

Mr. Ron Basford (Vancouver-Burrard): Mr. Speaker, I must first apologize for not having the speech prepared I ought to have prepared for this occasion. This is not my normal practice. But being vice chairman of the broadcasting committee, which has been sitting three times a day in respect of the "Seven Days" impasse, I have not been paying much attention to redistribution. I should like to indicate, as did the member for Kamloops (Mr. Fulton), that this notice of objection is signed by representatives of all parties. I concur in the objections set forth in the notice and with all the remarks of the hon. member for Kamloops.

It is in a way unfortunate that this act did not require the commissioners, when they brought in their final reports, to deal with representations and objections made at public hearings because there were, it seems to me, some very important objections made at the public hearings held throughout the province. At the moment it is inexplicable to me why some of these representations were not taken into account. Possibly the commissioners had very good reasons for not doing so, but I certainly cannot understand their reasoning at this moment. It is unfortunate that, unlike a judge, they have not had to say why they did certain things.

• (2:10 p.m.)

I should like to deal briefly with my own riding. I hesitate to say anything about it, Mr. Speaker, because, as you know, under the commissioner's report my riding is eliminated and I am therefore speaking in something of the capacity of a lame duck member. I know that anything I may say will in the minds of many be taken as sour grapes, but it is not sour grapes because I am not too worried about my political future.

While the province of British Columbia gains one seat under redistribution, going from 22 to 23, the city of Vancouver goes down from 6 seats to 5. In coming to this conclusion the commissioners have not made proper use of section 13 of the act. This section was put in the act for very special reasons, and the commissioners have not taken into account what has happened in Vancouver. The details of our objection are contained in subparagraph (i) of paragraph 6 of the notice of objection. They have not taken into account the shifts of population that are occurring and have occurred in parts of Vancouver since the 1961 census.

You will not be familiar, Mr. Speaker, but the commissioners certainly are or should be, with the fantastic rate of growth that has occurred over the last two or three years in what is commonly called the west end of Vancouver and the Kitsilano region of that city—this area is within my riding—where every month a new high-rise apartment block is opened. This development has occurred since 1961, and I do not think the commissioners have properly taken into account, as they should have under section 13 of the act, the growth of population in these two areas of Vancouver. As a result of not having taken into account the rate of growth and shift of population into high-rise apartment blocks, the proposed riding of Vancouver Centre will be the largest population-wise in the province of British Columbia. I suggest that if one were to take a census right now the population figure would be away above that allowed for any riding. I suggest to the commissioners that the riding they have created is away above the legal limit they were to apply.

I have one other remark to make about my own riding, Mr. Speaker. Representations were made to the commissioners quite sincerely by Liberal spokesmen that the name of the proposed riding that encompasses the old Vancouver Centre and Vancouver-Burrard ridings should be Vancouver-Granville. Spokesmen for the Conservative party agreed with that submission and indicated to the commissioners that they thought it was a good idea. Quite frankly, Mr. Speaker, I am at a loss to understand why the commissioners did not accept that simple suggestion. There were good reasons for putting forward the suggestion and it would not have hurt anyone to accept it. Therefore I cannot understand why it was not accepted. The request was made because Vancouver-Burrard and Vancouver Centre are very historic ridings and have within them political organizations which have existed for a great many years.

Those people who for years and years have worked in the riding of Vancouver-Burrard, which is to be eliminated, are entitled to go into a new riding on the same footing and with the same status as anyone else. But I am afraid—perhaps this is very minor politics—that those people who have worked for the four political parties in the riding which is going out of existence will have to go into the new political organization as newcomers and deal with those who have been working in Vancouver Centre. If a new name were used I think this would be avoided. I see no reason in the world why the commissioners should not have accepted the recommendation made and agreed to by both parties. That is all I wish to say with regard to my own riding, Mr. Speaker, and I shall now deal generally with ridings with which I personally have no connection.

The hon. member for Kamloops has detailed many of the objections with regard to what the commissioners have done in the interior regions of British Columbia. I concur in what he has said in this respect. British Columbia is geographically a very difficult province for members to represent because of its mountains, rivers and very vast areas. No matter how you draw the electoral boundaries in British Columbia you will have difficult ridings. But it seems to me that whereas we have at the moment two ridings that are difficult for a member of parliament to represent and wherein communication back and forth is difficult, as a result of the work of the commissioners we will have four, if not five, difficult ridings.

I would hope that the commissioners in reviewing their work will get us back to the situation where at most we have only two difficult ridings. As the hon. member for Kamloops pointed out, it is essential that a member of parliament be able to serve his riding properly, that he be able to get about his riding and that the people within the riding be able to get to him to discuss their problems. I think this will be almost impossible in the proposed ridings of Coast-Chilcotin and Okanagan-Kootenay.

We in British Columbia particularly are a long way from the national capital. Our M.P.'s have to spend most of their time in Ottawa because of the long sittings of the house. It is essential therefore that during the periods we are able to get home as many constituents as possible should be able to see us in order to tell us what they need in the area and bring us up to date on the growth and development of the area. I suggest this will be very difficult in ridings such as Coast-Chilcotin and Okanagan-Kootenay.

I wish that one of the commissioners at some period in his life had served as a member of parliament. Had any of the commissioners served as a member of parliament I think they would have had a greater appreciation of those things the hon. member for Kamloops and I are talking about. I suggest that if the member for Coast-Chilcotin, for example, went home for an Easter recess, which would mean he would arrive home on the Thursday before Good Friday and leave a week later, it would be utterly impossible, no matter how much he tried, to get around that riding and visit the various communities within it. If we are to create ridings such as Coast-Chilcotin I hope parliament will authorize the purchase by members of parliament of airplanes, boats, helicopters and horses, because that is certainly what any member of parliament will need to serve the riding of Coast-Chilcotin.

Mr. Aiken: We will have to put horses on the payroll again.

• (2:20 p.m.)

Mr. Basford: It is essential, it seems to me, that ridings should be designed so the parties within them can organize effective political organizations. We as politicians, and even the political scientists, urge members of the public to take an interest in politics and involve themselves in the subject. It is essential, it seems to me, for the health of this country that in each riding the various parties have healthy, vigorous political organizations, nominating candidates, fighting elections vigorously and enthusiastically and, within their own party structures, putting forward policies and principles for consideration both provincially and federally.

I ask the commissioners to consider whether in a riding like Coast-Chilcotin or Okanagan-Kootenay it would be possible for any political party, be it Liberal, Conservative or New Democratic, to organize an effective political organization. I ask each of the commissioners, when they are doing their work, to imagine themselves to be president of the Coast-Chilcotin Liberal organization, the Coast-Chilcotin Conservative organization or the Coast-Chilcotin New Democratic Party organization and faced with the problem of trying to organize a nominating convention. He is going to have to bring candidates to that nominating convention across three

mountain ranges, two time zones and from one island which is 100 miles off the coast. I suggest that the president of that riding association is not going to be able to organize a nominating convention. I suggest this condition is not good for the parliamentary democracy we are trying to develop. Had the commissioners had any experience in politics at all, they would have realized this.

As the hon. member for Kamloops has said, British Columbia is a very difficult province indeed in which to try to draw riding boundaries fairly and equitably. We live in a computer age, and I cannot help but get the idea that the electoral boundaries for British Columbia were drawn by computers rather than by human beings. I think there has been too much attention paid simply to the slide rule, simply to the census figures. When the commissioners approach the study of these debates and any other objections, I hope this will lead to a complete revamping or substantial revision of the electoral boundaries of British Columbia.

I should like assurance, Mr. Speaker, that the maps for British Columbia were drawn in British Columbia by the British Columbia commissioners. I cannot believe at the moment that they were because of some of the decisions that were made. I should like assurance, in fact, that the maps were not drawn by some Carleton University students who were hired by the office of the chief commissioner in Ottawa, with the resultant maps being sent to British Columbia and almost rubberstamped by the commissioners. For example, Mr. Speaker, when the report was first published there was a statement issued that the commissioners had followed, where possible, natural boundaries such as rivers. This might seem logical. You have a river and everyone knows where it is, so you make the boundary follow the river.

However, anyone who is familiar with British Columbia knows that communities develop on both sides of a river along a river valley. If you want to draw a boundary you draw it not along the bottom of the valley but along the mountain tops; you use the tops of the mountains or the watersheds as division points. According to their statement, however, the commissioners used the rivers as boundaries wherever possible. Consequently you have a community divided in half. One half on one side of the valley was in one riding and the half on the other side of the valley was in another riding. I know of one case in which a mill owner's mill site was on one side of the river in one riding and his log storage yard was on the other side of the river in another riding. Perhaps this was all right because he would have two members of parliament to whom to appeal rather than one. I think that sort of approach is somewhat illogical.

When the commissioners are doing their work I should like them to go back to the representations that were made to them by the various public bodies. I suggest, with respect, that they have not paid sufficient attention or given sufficient weight to the representations that were made to them at the public hearings. I make particular reference, for example, to subparagraph (k) of paragraph 6 of the objections, which deals with Esquimalt and Victoria. I mention this particularly because the hon. member for Victoria (B.C.) (Mr. Groos), who has signed these objections, is not here as the result of some obligations to NATO. He would want me to refer specifically to that situation. As I understand it, all of the people concerned, the city council, the aldermen and the mayor, object to what has been done and have made representations to the commissioners that the division between Esquimalt-Saanich and Victoria not be made. I ask, really on behalf of the hon. member for Victoria (B.C.), that the commissioners pay particular attention to the representations that were made with regard to these two ridings.

I want to ask the commissioners, as the hon. member for Kamloops has done, to pay more attention to the application of section 13 of the act which allows the commissioners to take into account in the drawing of these boundaries special geographic considerations and any special community of interest. I feel the commissioners have not given sufficient weight to the provisions of section 13, which were put into the act very deliberately by this parliament because hon. members realized that in drawing boundaries you cannot merely use a computer or a slide rule. You are dealing with people and not with figures. I suggest that the commissioners, at least I got this impression in reviewing their work, dealt with figures and forgot that they were dealing with people. Section 13 is in the act simply because in drawing electoral boundaries you are dealing with people and not just census figures.

Finally, Mr. Speaker, under redistribution British Columbia has gained one seat; the number of members has risen from 22 to 23. I know it is easy for us to criticize the work of

the commissioners, work which is very difficult indeed. There are people who say you cannot criticize them unless you can come up with a detailed map of your own or with a better plan. I do not have the machinery to redraw all the boundaries. I do suggest to the commissioners that all the problems that have been created by redistribution in British Columbia could have been avoided by giving the extra seat that British Columbia secures under redistribution to what is called the lower mainland and Fraser Valley area of British Columbia. The other ridings of the north and interior of British Columbia could have been left substantially as they were before redistribution. In this way you would get greater fairness and equity for the people involved. You would avoid creating two ridings which it is impossible for members of parliament to serve properly and, what is more important, in which it is impossible for the people of those areas to be properly represented.

• (2:30 p.m.)

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, my remarks on this subject will be very brief. First of all, I should like to say that I am not questioning the method of redistribution in Canada, nor am I questioning the impartiality of the representation commissioners for British Columbia. This is not questioned at all in my mind. My main protest is that I represent a Pakistan-like riding and I will continue to do so in the future but the situation will be worse.

The existing constituency of Burnaby-Richmond consists of two parts, Burnaby and Richmond, which are quite separate. In order to go to Richmond from Burnaby I must travel several miles through the city of Vancouver or alternatively go through the city of New Westminster. There is no direct connection between the two parts of the riding because a river separates them.

This constituency will be further complicated geographically by adding another area, roughly the municipality of Delta, which again is across another river. I realize that I am speaking of an urban area here and the problems are certainly not those faced by members representing rural areas, particularly in our province.

The proposed riding of Coast-Chilcotin which has been mentioned, or the new riding of Okanagan-Kootenay, do not have difficulties of that nature. I am speaking of an urban area out of which I think the representation commissioners could have made more compact ridings than they have.

The situation at the present time is that I have a riding with two sections which are quite separate. I must travel through other cities to get from one part to the other. The new Burnaby-Richmond riding will be further complicated by the change I mentioned a moment ago.

There is to be a new riding called Burnaby-Seymour which takes in part of the existing riding of Burnaby-Richmond and part of the existing riding of Burnaby-Coquitlam. The part of that riding called Seymour is across an inlet and quite separate from the Burnaby part of the riding. In order to reach it one must enter the city of Vancouver by crossing a bridge. Again we have the same Pakistan-like situation with the two parts of the riding quite far apart. This does not seem to me to make very much sense on any basis at all.

I have had the impression, Mr. Speaker, that when the representation commissioners were dealing with the lower mainland of British Columbia they took the city of Vancouver by itself and started there by drawing the boundaries of the ridings to be contained within the city limits of Vancouver. When they had done that they then went out to the suburban areas of the city and tried to do the best they could after completing their work within the city. I say that because none of the new proposed constituencies in the city of Vancouver extends beyond the city boundaries.

For example, Richmond in my riding is much closer to the existing constituency of Vancouver South. It would have made just as much sense to have taken the existing constituency of Vancouver Centre and added it to part of north Vancouver if you must cross an inlet. That has not been done with the city of Vancouver at all. They have been kept intact. The commissioners did their carving up when they got outside the city into the surburban areas. I think that is rather unfortunate because we could have had more compact ridings had they not dealt with the city of Vancouver by itself as I rather think they did.

I also feel that the commissioners have not taken into account the population growth since 1916 in the lower mainland area of British Columbia. I think that if they check the figures they will find that the municipality of Richmond and the municipality of Delta at this date are very close to the figure

used as a norm for a riding. This would make a reasonably compact riding and at the same time it would still be a large surburban area. But a riding of Delta-Richmond without the Burnaby part would make a good deal more sense than the proposed new riding of Burnaby-Richmond which is going to contain three different parts.

When the maps were published last summer a number of protests were made by the people of Burnaby and the weekly newspapers in Burnaby. It is unfortunate that our municipality, which is the second largest in the province, second only to Vancouver—it happens to have more people than Victoria, the capital—is divided in three ways. We have Burnaby-Richmond. We are to have Burnaby-Seymour and a third part of the municipality is to be in the proposed new riding of New Westminster.

I maintained at the time, and was supported by the weekly newspapers in the constituency, that it would have been quite possible to create a riding entirely of Burnaby, with the additional population in another riding which would be associated with another municipality. Instead we have the municipality divided in three ways. I do not think that this is the best job the commissioners could have done.

I made my views known to the commissioners by letter some time ago. Unfortunately I was not able to appear when they held their public hearings. However, I would urge them again to take another look at the lower mainland and particularly at the type of situation which exists in the proposed ridings of Burnaby-Richmond and Burnaby-Seymour. In both cases the ridings are divided by bodies of water. I suggest that the commissioners could redraw the maps so that we would have constituencies which would be compact and not separated by bodies of water.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, it gives me considerable pleasure to echo the opening statement of the hon. member for Kamloops (Mr. Fulton) regarding the redistribution proposed for the province of British Columbia. I was not a member of the house when it turned this task over to an independent commission so I will reserve my comments on the wisdom of that move until another time. My one concern at the moment is to endeavour in some small way to improve the proposed electoral map for British Columbia.

I might tell the hon. member for Kamloops that when I announced my candidacy for this house I was living in his constituency and for several days had a busy time. When I went downtown in the village of Salmon Arm I met people who told me that they would have to make an agonizing decision, and I was able to inform them that the decision might not be all that agonizing because I was running in the neighbouring constituency. However, I was unable to reach all of them. I do know that come voting day there were six people who went to the polls determined to vote for Johnston and on receiving their ballot forms were amazed to find that that name was not on the ballot. The closest they could come to it was Jones, and they had their doubts about that; but their loyalty overrode their doubts and the N.D.P. candidate was at least six votes closer to the hon. member for Kamloops than he really deserved to be.

This, Mr. Speaker, is the kind of confusion that existed prior to the redistribution now proposed. A geographical area was divided; the people in the area customarily did their business in the nearest large town, which is the city of Vernon, and they were confused as to which constituency they were in. That confusion has not been remedied by the proposed changes but has been compounded enormously owing to the fact that the boundary on the eastern side has been extended clear to the Alberta border and from there right to the United States border, thus making up a most amazing constituency.

• (2:40 p.m.)

I first heard of this constituency when the original proposal was presented. At that time I had no idea that I would be campaigning to enter this house. Yet on hearing what had been done to the constituency in which I had grown up and lived through all of my formative years I was very concerned. I went to the public hearings that were held in the city of Vernon and listened carefully to the presentations made to the commission there. They were most ably made by a variety of groups. I have one of those presentations with me, although I will not read from it at great length.

I would point out that this presentation had the support of the Liberal association and the Social Credit association. It had the support of the corporation of the district of Coldstream, the township of Spallumcheen, the city of Armstrong, the corporation of the city of Vernon, the city of Revelstoke, the Vernon

Chamber of Commerce, the Revelstoke Chamber of Commerce and the Spallumcheen Chamber of Commerce.

It was a presentation that had been worked out with a great amount of co-operation throughout the constituency. It was extremely ably presented, as were the representations from other political parties. The former member for this constituency, who had chosen not to run again, appeared to plead about the problems in organization that the new constituency would present to whoever should happen to take his place.

I was impressed by the carefulness, the logic and the clear development of the arguments used against the establishment of this constituency that was being constructed. I wondered at the time whether in this modern age the protests were sufficiently dramatic. I thought possibly that if the people protesting had picketed the courthouse or if somebody had done a sit-in or if there had been a hunger strike or some really dramatic effort, possibly the commission would have been impressed, although it should have been impressed by the carefulness of the presentation.

On the appearance of the final map that we have before us it became apparent that no attention at all had been paid to any of the presentations that were made. This, I feel, is most regrettable. It seemed to me that the commission erred in presenting the maps prior to the hearing. Once a map is drawn there is some pride of authorship, some sensitivity to criticism that there would not be or that would not be a factor if no maps had been prepared. It would have been better if the commission had heard presentations throughout the province and had then caused the maps to be drawn based on the wisdom it had gained by travelling through the province.

If people feel that they had a part in making a plan then they will also do something to make it work. But if they feel that the plan finally handed to them is not only something they did not have any part in making but is something in direct contradiction to their wishes, then it is unlikely that they will make it work.

By concentrating too narrowly on the single criterion of population and by interpreting their terms of reference iin such a way as to eliminate any consideration of population trends, the Redistribution Commission for British Columbia has produced a set of constituencies that will guarantee less adequate and even less democratic representation than the province has had in the past. In its concentration on this one factor, which is admittedly important, the commission has ignored such considerations as community of interest between areas, geographical relationships, economic similarity, transportation routes and historical and traditional patterns of unity.

I have no objection to the proposed name of the constituency but I would point out to the commission that the very words that are used to make up the name of Okanagan-Kootenay come from two languages that are totally unrelated. The people who spoke the languages do not have linguistic relations or historical ones.

Mr. Herridge: We hardly speak to one another.

Mr. Johnston: The native peoples of the Kootenays and those in the Okanagan area were so far away from each other as to be two quite different groups. The Kootenay people, proud and able as they were, had no relationship to the great interior Salish group that made up the majority of the peoples of the interior of British Columbia.

Mr. Diefenbaker: Explain.

Mr. Johnston: The previous speaker referred to his proposed constituency as a Pakistan situation. I was going to use that term myself but as it has been preempted and does not really apply to the constituency I now speak of I shall not do so.

In order to create a Pakistan situation there must be compelling reasons to link two areas widely separated. In the case of the original Pakistan it was unity of religion which made it essential that two widely separated parts be made into one country. There is not this kind of relationship between east Kootenay and the north Okanagan and Revelstoke area. It would be much better to describe it as an Austro-Hungarian empire. I am afraid that once it is set up the two parts will very quickly fall out and you will have a situation that will only ensure a great deal of conflict until such time as another commission sits to rectify the error that this commission has made in regard to this constituency.

It will also happen to have the two parts surrounding the principality, so to speak, of the hon. member for Kootenay West. Again, in this regard the constituency further resembles the Austro-Hungarian empire. An hon. member beside me says that I should not refer to a principality. It is a Baronetcy.

The development of British Columbia has been primarily north and south. I fail to understand why the commission did not take this into consideration. I take tremendous pride in the highway development that has gone on in the last few years in the province of British Columbia, but it has not yet reached the point where one can travel hundreds of miles directly east and west across our great province with the ease that would be required to make the proposed Okanagan-Kootenay constituency work.

It seems to me that once the commission had determined the population tolerance within which it could work and had realized that the corner of our growing province occupied by the Kootenays and the Okanagan would of necessity lose one seat, the commission should then have taken three centres and from those three centres have radiated the boundaries of their proposed constituencies until they had arrived at the population balance that would have fitted the tolerance the commission thought there should be. It would not have been necessary to fit it as closely as the commission seemed to feel that it must. As far as I can determine, their aim seems to have been complete equality rather than to use the fairly generous limits of tolerance they were assigned. I submit that had that been done they would have had a constituency that it would have been possible to serve. It would have been possible to develop a unified approach to the very many problems that present themselves to a constituency today.

The north end of the Okanagan Valley has been further divorced by the proposed redistribution from the rest of the Okanagan area. The north end has been attached to an area hundreds of miles away. This has been done just at a time when the northern Okanagan area is enjoying a period of development that promises a great future for it. It will be very difficult for whoever serves the proposed constituency to serve the two opposite ends adequately.

• (2:50 p.m.)

Although the trans-Canada highway makes a fine link between Vernon and Calgary, it does not therefore make a fine link between Vernon and Cranbrook or between Vernon and Fernie which will also be within this proposed constituency. Tremendous transportation problems will arise within the constituency. This morning a radio commentator said that members speaking in this debate were concerned only with their own political fortunes. I should like to deny this statement utterly. I was concerned about the constituency before I ever thought I would represent it. The plan proposed was bad then, and now that I have the fortune to represent the constituency I find it is still bad. But there is still time for the situation to be corrected. I trust that the commission, on the urging of all the members who have spoken on the subject of the boundaries in British Columbia will reconsider the whole matter very carefully and make those changes, not only in the proposed Okanagan-Kootenay constituency but also in the proposed Coast-Chilcotin constituency and in other constituencies mentioned, which it seems to me are absolutely necessary for the future development of the province. I can understand the commission being concerned not to favour any one political party when drawing boundary lines. At the same time it must not be made impossible for all political parties to form any workable organization in the new constituency.

This is what happened in Kootenay and elsewhere. If not corrected it will become a question of "us against them". A member would never be able to reconcile the conflict of interests which would constantly be presented to him, whoever he might be, when he came to represent the area. It is, of course, my hope that such a situation will never come about and that the commission will reconsider its conclusions and redraw the boundaries.

Finally, I should like to add a few observations on behalf of the hon. member for Cariboo (Mr. Leboe), who is unable to be present in the house this afternoon, with reference to the changes made in that constituency. He puts forward the following points:

1. The name of the new constituency should be Portage Mountain, not Prince George-Peace River. The next redistribution will see another constituency in and around Prince George.

The area from Lucerne West to Crescent Spur should not be included in Kamloops. The interests of these people are tied to Prince George and should be included with Prince George. The present suggestion of the commission fails to make sense.

3. Quesnel area is oriented to Prince George. It does not present its representative with the problem that the section north of

Fort St. John will present. It would, therefore, benefit these people if they remain in the same constituency as Prince George.

4. The area could be much better served if three constituencies were constituted from the present constituencies of Cariboo and Skeena.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, my remarks will be brief. The hon. member for Kamloops (Mr. Fulton) has in an eminently successful manner presented arguments relevant to objection 16 which was signed by representatives of all the political parties in British Columbia. First, I might explain that I am dealing entirely with the two ridings of Victoria and Esquimalt-Saanich in the southern part of Vancouver Island. To avoid confusion I might also explain that the municipality of Esquimalt is not included in the riding of Esquimalt-Saanich. It is a misnomer. But instead of taking the easy and right course and merely changing the name, the electoral boundaries commission took the difficult and anomalous decision to take the municipality of Esquimalt out of Victoria and put it with Saanich so that the name could be justified.

When the commission sat in Victoria on September 14, 1965, briefs were presented by all the local municipalities involved, by the chamber of commerce and by the shipyards. The gist of the arguments presented by all these municipalities and other bodies was virtually the same and the objective was the same. Yet to our amazement the commission apparently failed to recognize any of these representations. At any rate, it did not act on them in a significant way.

The first objection on which we base our argument is that the commission did not consider the rate of growth. As the hon. member for Kamloops has pointed out, the chairman of the commission sitting in Victoria said himself that this factor would not be taken into consideration. This is why I asked the Secretary of State (Miss LaMarsh) a few days ago whether I could have a transcript of the proceedings during those hearings. I wanted to quote the actual words used by the chairman. However, as the Leader of the Opposition (Mr. Diefenbaker) has pointed out, the commission in cavalier fashion refused to give the house to which it is responsible any information whatsoever.

During those public hearings the chairman of the commission said to me, when I made my presentation using arguments based on the rate of growth, that the commission could not consider anticipated growth. I put it to him that the act itself in section 13 says that the commission may consider relative growth. The chairman told me that in his view this referred to past growth. How ridiculous, Mr. Speaker. What would be the purpose of considering past growth except for the purpose of considering future growth?

We used figures which had been prepared for us by an official board in British Columbia in order to forecast what would happen to population figures in the proposed constituencies. In 1961 the difference between the populations of Victoria and Esquimalt-Saanich was approximately 1,000. By 1971, when the next redistribution will take place, the difference will be 25,000. The commission completely overlooked the fact that the city of Victoria is fully built up and that the surrounding areas are growing rapidly. Indeed, the commission admitted that it did not consider the anticipated relative rate of growth and went so far as to say it could not.

I made a definite proposal which I think would solve this problem not only with regard to anticpated growth but with regard to other considerations which I shall mention later. This proposal would result in the creation of a very slight difference in population between the two constituencies both at the present time and in 1971. Incidentally, the previous speaker, the hon. member for Okanagan-Revelstoke (Mr. Johnston), indicated that some people say that members who are objecting to these proposals are concerned only with their own interest. If this were the case I would not be speaking today. So far as my own interests are concerned the proposal of the commission would certainly benefit me.

Mr. Johnston: On a point of order, I should like to make it clear that it was not I who said this. I said it had been said that members taking part in this debate were speaking in their own interests. I want it to be clear that I am in no way indicating that this is so.

Mr. Chatterton: Thank you, Mr. Speaker. I did not mean to say that the hon. member said it. I meant to say he had mentioned that some people had said it.

• (3:00 p.m.)

The second basis of objection that the municipalities had was with regard to section 13(c)(ii) which says that the commission may consider community or diversity of interest. What the commission is proposing is that the municipality of Esquimalt be removed from

Victoria riding and added to Saanich, and all the local councils involved, including the council of the municipality of Saanich, have stated there was a close community of interest between Saanich and Victoria. The shipyards, the major industry, are located in both ridings. The business is intertwined, but the commission did not pay attention to that. Neither did it pay attention to diversity of interest.

There is a diversity of interest between Saanich municipality and Victoria city, but the commission is taking a large chunk of Saanich municipality and putting it into Victoria. There has been confusion in that area every year at every election—I am almost coming to think of elections being held every year—because a small part of Saanich has been in Victoria. Now the commission is magnifying this trouble and confusion by putting a larger part of it into Victoria. Incidentally, going back to the first objection with regard to the commission guessing, I think it is guessing in any event, because the official census of 1961 does not give the population of these areas that are being removed from one riding to another.

So, Mr. Speaker, with those brief remarks and in order to save the time of the house, I would ask consent to have printed in *Hansard* as part of my speech the brief presented to me by the city of Victoria, which the council had requested I bring to the attention of the house, and also the brief submitted to me by the municipality of Saanich, which that council suggested I bring to the attention of the house.

Mr. Deputy Speaker: Order. I wonder if the hon. gentleman would be satisfied if I were to undertake to ask the Speaker to have them forwarded to the commission?

Mr. Chatterton: Mr. Speaker, I think yesterday one of the members requested, in order to save time, that a certain table be included in *Hansard* as part of his speech.

Mr. Aiken: It was not done.

Mr. Chatterton: In that case may I request the Speaker to forward these two briefs, together with copies of *Hansard* to the commission.

Mr. Deputy Speaker: May I suggest to the hon. member that he leave the two briefs with the Clerk of the House.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I do not intend to speak at any length but I do want to say that on this occasion I listened with approval to the speech made by the hon. member for Kamloops (Mr. Fulton), and I think it is quite correct to say members of all parties from B.C. have in general supported the points of view expressed by him. I think it is also quite correct to say that for once, on this issue, we are four hearts that beat as one.

In addition to that I think I can say I am one person from B.C. who can take a strictly objective and non-partisan approach to these questions because, as most people know, I had a Liberal father and a Conservative mother. I also have relatives who belong to the Social Credit party, but I am still an unrepentant old democratic socialist. Therefore I think my point of view will be judged non-partisan.

I was interested in the speech made by the hon. member for Vancouver-Burrard (Mr. Basford). I was sure he was speaking, as it were, from the heart because he told us his riding would be wiped out when redistribution is completed. I had a sort of feeling he was preaching for a call, and as it has been the custom in Kootenay West to have some prominent person from Vancouver run as a Liberal candidate once every 50 years, I invite him to Kootenay West for the next general election.

I have no objection to the principle of the bill, which was to carry out redistribution with the aid of an independent commission directly divorced from politics. I recognize, along with the other hon. members who have spoken, the difficulties that are created in B.C., particularly as a result of geography and of our population—its density in some places and extreme scarcity in others, although I did what I could to improve that situation. There is also the question of developments in B.C. in recent years, and of developments in the years to come.

Hon. members from all parties who have spoken have objected to the commission's failure to recognize factors other than population. It seems the commission has interpreted the act in a very narrow sense. It has formed ridings that comply with the act so far as normal population is concerned, but in the opinion of many other hon. members, and of myself, it has lacked a certain flexibility in giving consideration to the other factors which have been mentioned by all the speakers from B.C. who preceded me.

I am sure it is quite right to say that hon. members who have spoken have represented

the views of their supporters in their ridings. I am expressing the view of those members of the New Democratic Party who live at present in the riding of Okanagan-Revelstoke and in the riding of Kootenay East, and I think their views are supported by a great majority of community organizations of various types, whether they be trade union organizations, women's institutes, farmers' institutions, and so on.

I think it is also quite correct to say that hon. members who have spoken this afternoon were voicing the opinions of people in their districts regardless of party, as a result of getting their reactions to the report of the commission. Personally, the people I have spoken to are very concerned at the creation of this new riding, this Okanagan-Kootenay riding, which changes the complexion of Okanagan-Revelstoke and of Kootenay East.

I speak with some personal experience on this question because I have lived in the interior of B.C. for approximately 60 years. I know the geography of the interior. I know the history of the development of that portion of B.C. for that period. I know the circumstances that prevail in every large and small community within that area. I am very closely acquainted with all these questions. I know the economies of the areas concerned. I know the past developments and the developments that are anticipated in the days ahead. With that knowledge, related to the opinion of many persons who have given this subject consideration, I think I can speak with some authority on the question.

We are to have this new monstrosity known as Okanagan-Kootenay which attempts to combine historically speaking in the form of one political riding two races never on speaking terms with one another. There is to be a giant horseshoe around Kootenay West and, as the hon. member for Okanagan-Revelstoke (Mr. Johnston) mentioned, it is a form of Pakistan, with the populous end in one portion of the riding, the other concentration of population in the other end, and a large horseshoe of smaller communities joining them.

Mr. Barnett: May I ask the hon. member a question?

Mr. Herridge: Certainly.

Mr. Barnett: I am wondering if the hon. member for Kootenay West (Mr. Herridge) is implying that we should establish a new bicultural commission to look into the situation?

[Mr. Herridge.]

Mr. Herridge: No, Mr. Speaker, that would not be necessary because the riding has been settled by some splendid people of British and other stocks and some French Canadians who came from Quebec to work in the woods. That question was settled years ago.

My second complaint is that there is no community of interest between the two ends of this riding. At one end we have persons interested in mining, particularly coal mining and metalliferous mining, and where there is some ranching.

• (3:10 p.m.)

At the other end we find the major interest in the fruit growing industry. There is no community of interest and, as expressed throughout the years by chambers of commerce and other organizations which represent the people in those areas, the local problems facing the people of the Okanagan-Revelstoke area are entirely different from those faced by the people of Kootenay East.

As pointed out by the hon. member for Kamloops, the new riding will be very difficult to serve. An individual living at one end of it will have to make a round trip of 800 miles in order to see his member. I do not suggest that all constituents travel in order to see their member; it is the habit of all hon. members of this house to visit their constituents. But this has become very difficult in the past few years because we find ourselves here at parliament ten months of the year. In my own case I have had constituents who, knowing I was only going to be home for two or three days, have travelled 300 or 400 miles to come to my ranch to see me about their problems. This new riding will be very difficult to serve, particularly during the winter when one is likely to run into heavy snowstorms and other weather conditions that make travel difficult.

All political parties depend upon organization. If it were not for the satisfactory organization of political parties we would not have a democracy. Neither would we have the opportunity to come here and present our views and differ from one another, while at the same time respecting the rights and opinions of the minorities. This new riding is going to make it very difficult for those who wish to organize political parties, because of the circumstances I have mentioned and those pointed out by the hon. member for Okanagan-Revelstoke (Mr. Johnston).

I suggest that all these circumstances should be considered by the commission. I realize that it had a difficult task to perform in British Columbia but I think it failed to be sufficiently flexible in drafting the boundaries of some constituencies. I trust the commission will read today's *Hansard* and will reconsider and redraft several boundaries of constituencies as set forth in the present report, in order to meet the wishes of the great majority of the people as expressed to members of parliament, and in turn by them in this house today.

I look upon this whole question as a somewhat experimental one. I think we have made some mistakes, but I believe it was a good idea to have redistribution undertaken by independent commissions. In the future when we are perhaps considering amendments to this act, members should consider that it might be appropriate to have one person on each commission in each province who has had some active political experience and understands something about organization and the problems that face not only political parties but the members of parliament who serve the constituencies. This individual should have some understanding of the problems faced by members who represent ridings that have a conflict of interest because of local problems and situations. All these things could be considered by an individual on the commission who has had active political experience, and in that connection I suggest such a man could be a retired senator or retired member of parliament.

Mr. Hamilton: Mr. Speaker I rise today to take part in the discussion of these recommendations to the commissioners, not only as the member for Qu'Appelle but in an effort to direct my thoughts to the province of Saskatchewan as a whole.

Mr. Deputy Speaker: Order, please. I apologize for interrupting the hon. member, but perhaps I should point out that we are now discussing objection No. 16 which applies to the province of British Columbia.

Mr. Patterson: Mr. Speaker, I intended to rise on that very point. I do not wish to speak to the objection but I thought you would follow the pattern set with respect to other objections and call attention to the fact that the objection dealing with British Columbia is now completed.

Mr. Deputy Speaker: Have we now completed the discussion on objection No. 16 in relation to the province of British Columbia?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The house having considered these objections, it is the Speaker's duty, pursuant to section 20 of the Electoral Boundaries Readjustment Act, to refer the report of the Boundaries Commission together with a copy of the objection and also a copy of the debates of the house back to the commission for consideration thereof.

The house will now proceed to a consideration of objection No. 10 in relation to the province of Saskatchewan, the text of which can be found at pages 20 and 21 of the pamphlet.

On February 15 last a notice of objection in the form of a motion was filed with Mr. Speaker in the following terms:

Proposed Electoral Districts for the Province of Saskatchewan:

That, pursuant to Section 20 of the Electoral Boundaries Readjustment Act (Chapter 31, Statutes of Canada 1964-65) and for the reasons hereinafter specified, consideration be given by this house of the matter of an objection to the following provisions of the report of the Electoral Boundaries Commission for the province of Saskatchewan, laid before the house by Mr. Speaker on Wednesday, January 19, 1966.

The principal objections to the provisions of the Saskatchewan report are:

1. The commission attempt to provide each constituency with somewhat comparable size and population has resulted in unrealistic boundaries for most of the ridings. The South Saskatchewan River is a natural boundary for three proposed constituencies—(Battleford-Kindersley, Swift Current-Maple Creek, and Moose Jaw). The proposed redistribution map fails to provide for this geographic division.

2. Natural trading areas have been ignored and communities having common means to travel and communication have been separated. The riding boundaries proposed by the commission would result in unnecessary obstacles to adequate representation in parliament for people with common interests. As one example, the proposed constituency for Moose Jaw does not take into consideration the area covered by the local newspaper and by the local radio and television station. Community of interest is developed to a large degree by these communication media.

Also following the same argument of community interests, the proposed redistribution removes the area west of Prince Albert including Parkside, Shellbrook, Canwood and, Debden through to Big River, and the area north of Prince Albert including the townsite of La Ronge. People in all of this area do business with Prince Albert and should be included in the Prince Albert constituency.

3. Particular objection is taken to the commission proposal to have no fully urban seats in Saskatchewan. The capital city of Regina, and the city of Saskatoon should be city ridings. This can be accomplished by allowing the full quotient of 88,960 population, placing the remainder of these cities in the surrounding rural constituencies.

And other objections that the undersigned members may deem necessary to carry out the spirit of fair redistribution will be presented verbally. A map will be submitted to the Electoral Boundaries Commission with constituency boundaries drawn to meet the objections noted above.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, as I pointed out too soon, my remarks today will be directed toward outlining the redistribution situation as it concerns the province of Saskatchewan rather than just the constituency of Qu'Appelle which I represent.

When we passed the legislation which turned the power of redistribution of electoral boundaries over to independent commissions, we did so after lengthy and historical difficulty in the House of Commons in trying to decide the boundaries of constituencies, because on too many occasions the paramount consideration was political partisanship on the part of various people concerned with their various positions.

At that time I think all parties agreed that the time had arrived in Canadian development to turn much of the responsibility for the establishment of electoral boundaries over to independent commissions. That did not, however, free the members of the House of Commons, from the final responsibility of making a decision about the worthiness of the work of those independent commissions.

It is for that very reason we included safeguards, one of which we are now taking advantage of in having the reports of the commission submitted to this house for consideration and reference back to the commissions, with the hope that they too will recognize that this whole matter involves co-operation between members of parliament and the independent commissions.

In the objection, signed by 16 of the 17 members of parliament from Saskatchewan, there are four general criticisms of the commission in respect of Saskatchewan. One of these criticisms, and I think this is the most cogent, relates to the fact that in the agricultural province of Saskatchewan we have only two large cities, yet the commissioners have cut these two cities in half and included the halves with rural ridings. As a result of this redistribution the number of ridings in the province has been reduced from 17 to 13.

[Mr. Deputy Speaker.]

There are no city ridings as such. We have some purely rural ridings, and some partially rural and partially urban. This gives a member no opportunity whatsoever to devote himself entirely to urban problems. It gives those who live in the cities the feeling that their particular, narrow interests are not being fully represented in the national parliament. This was one of the main criticisms in our objection.

• (3:20 p.m.)

I think it is a matter of judgment and a correct assessment that if a member of parliament has 50,000 urban people in his riding and, say, 30,000 or 35,000 rural people, he will soon find that 75 per cent to 90 per cent of his time is spent on rural problems. This is the area in which the tremendous revolution has been occurring in economics. This is where the great personal tragedies have been occurring. The records of this house over the last 30 years indicate the truth of this statement.

Therefore, Mr. Speaker, to emphasize my point with regard to the cities, with the proposals of the commission we would have the people of the two major cities of Saskatchewan feeling they were unrepresented by members in this house who could speak solely on urban problems.

I believe that what I have said about the preponderance of rural over urban problems will change in time many of the matters dealt with in this house. Any person who recognizes the needs of city people will realize that in the next 10 or 20 years the house will be continually inundated with problems that we have not heard before. These problems concern, primarily, built-up areas and so far they have not been adequately expressed in the house. I refer to problems such as the high interest rate paid by the city dweller on furniture, cars and other things he needs for his home. I refer to the mounting cost of urban transportation, amounting to a heavy penalty imposed upon all those who live in large cities. I refer to the increased cost caused by a lack of coherent and integrated planning which is placing a heavy burden on families living in our cities. These problems will come before this house.

Problems of education are common to us all, but because of the tremendous cost of building universities, junior colleges and different classifications of vocational schools in the future, the question of education, which has not been a large matter in this House of Commons over the last 99 years, will soon be

taking up as much time as railways used to take. There are also the problems of the small, independent businessman trying to survive in the cities against the competition caused by mass distribution. These problems will come before this house and we must have members who can speak with knowledge of them and have a personal interest in them. Then there is the problem of recreation. As we crowd more and more people into smaller areas and build more high-rise apartments in which they can live, the provision of more and more recreation will become a problem for the House of Commons in so far as it affects the people of our urban and built-up communities.

Over the last 15 or 20 years we have dealt with the question of housing. Gaps still remain in this legislation, but once again there is an urgent problem in our built-up areas and an urban member should be able to put these matters before the house.

Then we have the human problem. Many hundreds of thousands of people are classified as aged just because they have been superannuated or retired and we are now living in our cities and creating a tremendous reserve of unused human resources. These are the type of problem that must be dealt with, and we must have city members who understand them and can deal with them. In addition to our elderly citizens there are, or course, many classifications of people who are physically handicapped, perhaps from birth, an accident or illness of some kind, and are unable to compete in our labour market.

Many of these urban problems have not been discussed in this house in the past but they are the type of problem that I believe we shall be dealing with more and more in the future. Therefore, Mr. Speaker, I speak not only for the province of Saskatchewan and the two major cities of our province but for every city in Canada. I believe we must have someone in parliament who understands these problems, lives, works with and knows the people of the cities and can express their point of view in this house. The city vote—and these remarks refer to any province—should not be submerged or given second rate importance compared with the problems of rural areas around the cities.

I recognize that some cities will have to have an urban and a rural member, but I think that cities must be represented in this house and the right of city dwellers to have their viewpoints expressed should not be taken from them. This is one of the major objections contained in the Saskatchewan submission to the commission.

I have read a number of the redistribution debates which have taken place in the House of Commons over the last 50 or 60 years. These debates contain a tremendous number of complaints with regard to readjustment of boundaries. If one reads the debate on the last redistribution bill in 1964 he finds that the province which suffered most, Saskatchewan, had the least to say. Ours was the province which had the number of seats reduced to 13 from 17. We did suggest in one or two mild questions to the minister that he might consider doing for us what had been done in 1953 by using the 15 per cent rule. But when no positive reaction came from the government side we in Saskatchewan accepted the democratic rule of representation according to population.

This fact emphasizes that those of us who come from rural areas have no intention of trying to limit in any way whatsoever the right of a person in the city to have fair and proportionate representation in this house. I mark that up on the plus side for those of us who come from the province of Saskatchewan, namely that we accepted this reduction in the number of seats without putting up a tremendous, prolonged objection, which has historically been the case in redistribution debates. This does not mean we were happy about the reduction in seats. On the contrary, we were deeply unhappy. We know that as a province, even though we are small in population, we provide proportionately a tremendous share of the gross national wealth of this country. We should have two or three seats right in the middle of Toronto which are called Saskatchewan seats, because that is where our money ends up.

Having made that point, Mr. Speaker, I repeat that the fundamental position I am taking here is in defence of the right of city people in Saskatchewan to have at least two city ridings and not a combination of rural and rural-urban ridings. That is my first point.

My second point has been made many times in this debate. It is that the commissioners in almost every province used too narrowly the mathematical concept that every city should have approximately the same number of people, regardless of the circumstances, and in too few cases did they follow the wish of parliament that there should be some tolerance in order to meet various conditions. Parliament in its wisdom declared

that the commissioners be allowed to use a tolerance of 25 per cent.

• (3:30 p.m.)

The members here recognized, as a result of their experience, that you have to have the number of people in a seat to fit the needs of the area. As the hon. member for Kamloops (Mr. Fulton) said earlier, the principle was to allow the people in these constituencies to have access to their member of parliament. If you have a thinly scattered population, this becomes increasingly difficult. This is the second criticism which we, in Saskatchewan, have made of the Saskatchewan report. It is a criticism which is common to the other provinces. The drawing of these boundaries was purely a narrow, mathematical exercise.

I should like to quote a few figures to prove how mathematically accurate the commission was in Saskatchewan. There are four city ridings, and they are shown as follows: Regina East, 82,571; Regina-Lake Centre, 83,574; Saskatoon-Biggar, 82,472; Saskatoon-Humboldt, 83,536. The population in the four rural-urban seats varies, plus or minus, about 1,000. You cannot make it any more accurate than the commission has made it. It would seem that, so far as the commission is concerned, justice was purely a matter of arithmetic.

When you look at the purely rural ridings, which are set out in schedule C, you find these examples: Assiniboia, 66,326; Battleford-Kindersley, 69,170; Swift Current-Maple Creek, 66,514. You will find a small difference separating these rural ridings. I do not believe the academic exercise of drawing constituency boundaries in order to achieve the same numbers in each constituency is what parliament wanted these independent commissions to do.

We have done something radical in this house. We have removed our traditional power to redistribute the seats, and turned that power over to an independent commission, with clearly defined criteria as to how the commissions should establish these constituency boundaries. The commissions have largely ignored these criteria which parliament, in its wisdom, laid down in the act, and relied upon mathematics. This is the intellectual exercise of a bureaucrat and does not represent the independent judgment of a commission.

In my remarks to you, Mr. Speaker, which are being recorded in *Hansard*, I want to say to the commissioners of my province that we would like a serious, detailed re-analysis of the report they have submitted in order to get away from this narrow concept of mathematics, and return to the concept of the needs of the people.

I am not going to say too much about the historic associations in the province of Saskatchewan. I have travelled in all the provinces and I know that in the eastern part of Canada generally there is a tremendously deep attachment to the counties. This is part of their history and their culture, and their loyalties are to these counties. We have a little bit of this in Saskatchewan, even though our province is new. We have the relationship between Regina and Moosomin; between Prince Albert and the routes northward. There is the historic relationship of Prince Albert and Carlton; Moose Jaw and Assiniboia. These historic relationships may not be as deep as they are in eastern Canada, but they are all the history we have.

The fourth objection relates to geography. In Saskatchewan, we have about 5 per cent of the population of Canada, yet we have approximately 40 per cent of the roads in Canada. This indicates that the area is thinly settled. Yet here we are trying to provide a parliamentary system of government under which not only the members can serve their people but the people have a feeling of easy access to their member. No matter how good a broad jumper one might be, no matter how good a swimmer one might be, there is nobody in Saskatchewan strong enough to jump the Saskatchewan river. In about two years time, when the dam is completed, we will have a lake 200 feet deep, several miles wide and 138 miles long, dividing the province. The report prepared by the commissioners ignores this fact, that we are not supermen, and constituency boundaries have been drawn straddling these rivers.

I do not know what was in the minds of the commissioners who were raised in Saskatchewan when they drew these maps. Certainly they must have forgotten the long hours of driving which are required to get around a barrier 138 miles long. This not only prevents a member from serving his constituency, but the constituents are denied access to one another. When you look at the constituency of Swift Current-Maple Creek, you find that the boundaries cross the Saskatchewan river to the north, while the boundaries of the Moose Jaw constituency run north nearly to the city of Saskatoon. The

river also divides this constituency. These are the results of this report submitted by the commission. I do not want to mention some of the other difficulties that are related to rivers.

We have an historic lake in the centre of Saskatchewan. Traditionally they fight over this area, and I believe the right hon. Leader of the Opposition (Mr. Diefenbaker) has been in many of these battles. Actually at one time the constituency received its name because of the fact it was in the centre, and it was called Lake Centre. What would be wrong with taking this lake out of the centre and using it as a dividing line for the constituency? These are natural, geographic features. I do not want to mention a lot of the little details, but I believe I could make a good case on this point.

I have 20 minutes of my time left, so I want to leave these general criticisms for the moment. I believe I have made my points adequately in these four general criticisms. Since we have 17 members from Saskatchewan belonging to the same political party, there is no possibility here of gerrymandering seats. We have accepted, unhappily, with a view to doing justice to the city population, the reduction from 17 seats to 13. Some of us have put together a map showing constituencies that do fit into these historic patterns of the past and the present. We have allowed for growth. We have used the census figures of 1961. We have used municipal boundaries. We have not split up municipalities or townships, as the old maps do.

We have tried to put together constructive proposals to send along through you, Mr. Speaker, to the commission. We know they are human beings and perhaps if all the work is done for them, if all the lines are drawn, if we consider all the geographic features, if we consider the marketing areas, perhaps they will look at these maps and remember that the independent commission is, in effect, on trial.

• (3:40 p.m.)

Will they listen to the parliamentarians, if they are sure that there is no evidence here of hiving political opponents, of gerrymandering seats, will they listen? If there is evidence here of all these things I have mentioned such as the geographic factors, the tolerances within the act, that we have provided two purely urban ridings, will they listen? We have allowed for communications, highways, television, radio and newspapers, we have considered the historical associations which we have and above all, we have considered the needs of the people? This is what I want to propose now.

These figures which I am quoting are drawn from bulletin 1.1 No. 5 and bulletin 1.1 No. 9 from the 1961 census of Canada; they are the official figures with which the commissions must deal. I put these proposals forward in the hope that the commissioners will not have the excuse that it will take too long to draw a new map, or that it will take too long to work out all those difficulties. They will have to have all this material which the house has considered to put into this electoral boundary map of Saskatchewan.

My first step here is to give the figures for the constituencies. I am going to apply names to these constituencies which may or may not be acceptable to the commission. However, on looking at the map and knowing the relationship of these people in the areas, I believe this may be considered worth while. No. 1, Weyburn-Estevan a population of 67,713; No. 2, Swift Current-Maple Creek a population of 68,821; No. 3, Moose Jaw-Assiniboia a population of 77,532; No. 4, Regina a population of 80,141; No. 5, Regina-Qu'Appelle a population of 73,689; No. 6, Kindersley-Rosetown a population of 64,669; No. 7, Saskatoon, a population of 80,526; No. 8, Saskatoon-Humboldt a population of 72,448; No. 9, Yorkton-Melville, a population of 68,300; No. 10, Melfort-Tisdale-Nipawin, a population of 68,379; No. 11, Mackenzie, a population of 56,282; No. 12, Prince Albert, a population of 62,039; No. 13, Meadow Lake-The Battlefords a population of 63,557.

In addition to these numbers allocated to the 13 seats, Mr. Speaker, there are 11,300 Indians in the northern area and there are no documents that I can lay my hands on which give the exact position of these Indian tribes. Therefore, the 11,300 Indians will naturally be divided among the three seats last mentioned, Mackenzie, Prince Albert and Meadow Lake-The Battlefords. From what little knowledge I do have of the location of these Indians, I would suggest that the greater bulk will come into Prince Albert, as the map will indicate.

There may be a few errors in these figures in the adding up of these boundaries along the rivers and so on, where an adding machine and a person with intimate knowledge of where the boundaries of villages and towns cut inside the municipal boundaries might make some correction. However I

would say these figures are 95 per cent to 96 per cent accurate and serve the purpose of what this presentation hopes to do.

I have the map in my hand and I will run through each of the seats from a geographic basis and a cultural basis. In the southeast of the province we have the two large towns of Weyburn and Estevan and the constituency outlined is on a straight line basis, centred at these two towns. In the southwest constituency of Swift Current-Maple Creek we have retained the old boundary on the east side and used the Saskatchewan river as the north boundary. This seat has a population of 68,000 and is a tremendously large seat. It would take over 800 miles of driving to get around this one constituency travelling in straight lines.

The seat in the centre, between Weyburn-Estevan, and Swift Current-Maple Creek is Moose Jaw-Assiniboia. Moose Jaw is roughly the centre and the people in that area are on highway No. 2 which runs right through the centre of the constituency; everyone has access to radio and television, and this is the traditional market area for all these people.

The key thing to remember about the city of Regina is that according to the census figures it has a population of 112,000 people, but we only allocate 80,000 to it. There has to be a division by a single street running north and south or a railway running east and west, some sort of a division which is fixed so that if there is expansion one way or the other it will come into that particular seat. I believe the main consideration here was to make sure that this seat could expand, that an area would not be carved out of the centre of the city with a boundary around it saying that this is the fixed boundary of the seat. We can get around this difficulty by placing a boundary line in this city which runs right down the street, or across some natural barrier which every person is aware of. This leaves the Regina-Qu'Appelle seat with a population of about 73,689 which is approximately 3,000 above the quotient for the province. Once again the Qu'Appelle river is used as a northern boundary in this instance.

The seat north of Regina-Qu'Appelle is Yorkton-Melville. These two large towns dominate the area and the traditional highways lead into Regina, and the two towns are used as the basis of the seat. Their culture, their marketing and their natural affinity is put together. North of this we have taken the heavily populated area and the small farming area and put it in Mackenzie, which runs up to the Northwest Territories. To the west of the province we have the constituency of Kindersley-Rosetown which has the towns of Macklin, Unity, Wilkie, Biggar, Rosetown, Elrose, and Eston which are all well known wheat farming towns. However, the population in this area is below the quotient by some 6,500. It is a huge area. You simply cannot take a big area such as I have mentioned without its being completely unified in interest, and without the people having a chance to get in touch with their member.

• (3:50 p.m.)

I mentioned the city of Saskatoon. What I then said applies to Regina. The city should be divided by a clearly marked dividing line so that growth goes on on both sides. There you might have a combination between a rural and city seat and a pure city seat. When the commissioners decide on a line to divide the city constituencies of Regina and Saskatoon they ought to take some straight line.

When you take the proposed constituency of Saskatoon-Humboldt, you see one of the most perfect examples of community of interest. From Saskatoon to Rosthern is less than 60 miles; from Saskatoon, Humboldt is within 80 miles. The distance from Saskatoon, to Watrous is about 80 miles, and from Saskatoon to Davidson is about 80 miles. The whole community is served by highways, roads, radio and television, and there is a tremendous community of interest.

If you look at another area, such as the proposed Melfort-Tisdale-Nipawin constituency you will find that that is all one big area containing these three towns. That is a traditional mixed farming area using the river as a natural boundary of the north. These people are on one side of the river.

When you go north of the river, you find Prince Albert. Instead of the constituency of Prince Albert being put across the river running along both sides, we have run it up towards the north. We have taken the area containing Lac la Ronge, which is in the constituency of Mackenzie in the commission's redistribution, and put it into Prince Albert.

Presently, Meadow Lake constituency goes right up to Uranium City, which is a long way from Battleford. I submit, Mr. Speaker, that between those areas there is no community of interest, either by road, newspaper, or other means. Therefore Uranium City

should by interest and communication be in Prince Albert.

The Battlefords are the traditional historic centres of the area, with roads going to Lloydminster, to Maymont, to Meadow Lake. From Meadow Lake now new roads go to Ile-à-la-Crosse and other places.

I think that all these proposed suggestions, Mr. Speaker, will meet the necessary criteria of 90 per cent of the people of the province of Saskatchewan.

I have gone into all these details because this is all the chance that we have of getting before the commissioners the points that we show here. We want to present them in such form that it will be possible for them to accept advice as to the new proposals we make. We do this to help the commission lay out precise, legal definitions of boundaries. Second, although I have checked on the figures and on their accuracy, I expect there will be a few minor changes.

Third, it is hoped that names of constituencies that I have put forward will have some bearing on the commission's thinking. Fourth, I submit that what the commission ought to try to do in the cities of Saskatoon and Regina is to make sure that the cities are not cleaved in two with a "dead centre". A city should be an alive and expanding operation. It should not be dead. If you are going to have boundaries inside Saskatoon and Regina, they should be laid down either on a single street, or else should run through the cities along boundaries such as a river, so that the people in those cities know in which constituency they live.

We do not want a situation say, in Regina, where in the outskirts the people belong to the rural neighboring constituencies and the people in the centre of the city belong to the city constituency so that if people move from one block to another they will suddenly change from an urban to a rural seat.

I think, Mr. Speaker, that I have made the best case I can for a positive, constructive type of amendment for the report of the commissioners. The suggestions I have made may be the result of something that the commissioners by themselves did not see, but are the result of many, many years of practical experience on the part of many hon. members. There is no question of gerrymandering here. It is a question of having a constituency the boundaries of which will be compatible historically and geographically, and will follow municipal boundaries, which will unite the people through the natural means of communications by way of highways, radio, television, and newspapers that make for the cultural life of the community.

We had a royal commission sit in Saskatchewan from 1952 to 1956 on the agricultural and rural life of the people. That report was published in 13 volumes, and it emphasized that what is strongest in keeping together the thinly scattered peoples of Saskatchewan are the cultural and marketing ties of those people. You might take away a railway line, or any other means of keeping the people together. But the people are kept together by the common ties of cultural pursuits, which might include anything from curling to going to church, or school. That is the one thing that the royal commission emphasized that kept together the thinly scattered people of the areas.

We should like to see this business done properly in our province, so that there can be that cultural life in a community. We want that, instead of having what I can only describe as artificial suggestions for artificial constituencies, which could have no relationship with the needs of the people of Saskatchewan.

I wonder if I might ask the Chair for permission to submit my figures and maps through Mr. Speaker to the commission in Saskatchewan?

The Acting Speaker (Mr. Rinfret): Is there unanimous consent for the hon. member to be allowed to table these statistics, have them referred to the Speaker, and taken as part of his speech?

Some hon. Members: Agreed.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am going to speak for a short time on a matter which I believe is of transcendent importance. During my administration as prime minister we decided on a course of appointing a non-political, non-partisan commission to bring about in our country an end to the murky business of gerrymandering.

I was one of those who in two different and successive redistributions found my constituency operated on without anaesthetic by the government of those days for the political purposes of that government. Indeed, if it had not been for their manipulations I would long since not have been in parliament. I owe a great debt to some hon. members who are still sitting opposite, who belonged to the government of those days. I hasten to add

that my remarks do not apply to the ministers I see here today. We have the Minister of Fisheries (Mr. Robichaud) and the Minister of Mines and Technical Surveys (Mr. Pepin) who are the two present today. Neither one of them at that time participated in those electoral campaigns. Nor, knowing their past, and knowing of them during the present, would they have done what was done by other members, had they been in a position of responsibility.

Mr. Pepin: Thank you.

Mr. Diefenbaker: I must extend my thanks to some hon. members opposite, because I had every intention not to be a candidate in the next election following the one in 1949. I had once been gerrymandered out of my seat by alterations that were made in it which were designed to assure that a socialist candidate would win that seat. That was done by the addition of large areas of overwhelmingly socialistic sentiment as expressed by their votes in the previous election. As a result I decided no longer to be a candidate. When my constituency of 1950-51 was so operated on, and subdivided, or trifurcated with bits and pieces put on here and there, I determined to return to my constituency of Prince Albert, where for many years a Conservative was not regarded as worthy of political support. Indeed, those were the days, and I say this for those young ministers I have referred to, and for others, when the only protection a Conservative enjoyed in the province of Saskatchewan was under the provisions of the game laws.

Those things have all changed. As I say, I owe a deep and never to be forgotten debt to the Liberal government of those days for what it did. Otherwise I should not have found myself in the position of ultimately being prime minister, or indeed of having any reports on the prime minister's desk referring to my tenure of office, that were on that desk for a period of 14 to 16 months. That point is worthy of comment; but not worthy of approbation.

Having said that, may I now deal in particular with the concepts which moved all of us to accept the principle of a non-partisan, non-political approach to representation.

• (4:00 p.m.)

We have had experience of manipulating or gerrymandering, and we endeavoured to bring about a plan which would deny that unjustifiable sport of endeavouring to eliminate political opponents by altering political boundaries. Commissions were set up. Originally the proposal was that the several provincial commissions should have one member named by the Prime Minister and another by the Leader of Her Majesty's Loyal Opposition. Objections were taken thereto, the legislation did not make much progress, and finally there was agreement that those two provisions should be eliminated.

In the province of Saskatchewan the commission was set up under the chairmanship of Mr. Justice Brownridge, together with Professor Ward and Mr. Koester, the Clerk of the Legislative Assembly. At no time was there any communication, directly, indirectly or at all with me or anyone on behalf of Her Majesty's Loyal Opposition, which had all 17 seats in the house, regarding various matters with which my hon. friend from Qu'Appelle (Mr. Hamilton) has dealt in such a masterful way. I have not heard anyone in this house consider in such detail and with such complete objectivity this complex subject in a way which, if carried into effect, would assure the basic principles of redistribution under the commission formula.

I was told by Mr. Castonguay that the first principle was to be this—that the cities were to have their representation determined, and from there on the number of seats found for the urban constituencies entitlement was to be subtracted from the total number of constituencies in the province in question, and then there was to be a reasonable division on the basis of population, provision being made for the tolerance of 25 per cent.

What has happened? In the province of Saskatchewan the commission departed from that principle. They started to divide up cities. The great city of Regina, with its large population, should have a member of its own to the extent of the quotient that is determined upon, consideration being given to the tolerance. So should the city of Saskatoon. But what did they do? They started in to tinker. They have set boundaries which have no basis in historical fact. They took Regina and divided it down Albert Street, as I understand it. They took Saskatoon and divided it by the river. Saskatoon is divided into two parts: If they had had two rivers there it would have been Gaul.

Why not give representation to Saskatoon and Regina in accordance with the principles which Mr. Castonguay told me were to be followed? I have no criticism about my own constituency of Prince Albert to which I shall

make only a passing reference, but I do have objection to the general division which has taken place. We in Saskatchewan lost four constituencies. We have gone from 17 to 13. I am not here to enter into political discussion. But we lost tremendously in population from the middle '40s until 1960, a period which happens to be coincidental with socialist government within that province. I do not mention this for any particular purpose; it is just a statement of fact. Alongside are Alberta and Manitoba with free enterprise governments. We in Saskatchewan went back, and we are down to 13 constituencies. It is many years since we had so few.

What was the basis upon which the commission operated? I do not know whom they consulted, but the chairman of the commission, a very good friend of mine over the years, a student in my office, made this statement:

> The commission carefully considered each of the representations made but was unable to give effect to any of them.

The report refers to the representations made during various meetings held in all parts of the province. One brief was presented in each of the six centres—Regina, Moose Jaw, Swift Current, Saskatoon, Prince Albert and Weyburn. Surely there would have been one of them that was right. But they were just brushed aside. They talked, and the commission decided there was no basis for their arguments. The chairman goes on to say that the significance of these hearings to the commission was that the proposed map was generally acceptable. I do not know who gave him that impression, for the day the announcement was made, speaking for this party, I criticized the basis upon which the commission had operated, and my statement was given appropriate space in the press reports.

I also pointed out that some action should be taken to assure that we should not lose four constituencies, bearing in mind the vast wealth of our province and multiple developments there, the like of which few hon. members in this house have any realization. We are down to 13 seats. We have reached the position where we shall have about three times the representation of Prince Edward Island. We have reached a position where we have very few more representatives than Nova Scotia. Those two provinces have basic rights; they are assured that the number of their members will not be reduced below a certain level, and that is proper and fitting.

Mr. Stewart: New Brunswick.

Mr. Diefenbaker: Yes, 12 members. It is proper and fitting that we in our province, with the vast development there and the expansion which is taking place in the field of potash alone—developments which will make wheat and other agricultural products increasingly less important with the passing of the years, should have additional representation. Yet we are to have 13 seats. I think consideration must be given to a constitutional amendment which would provide additional representation for a province as large and as important as Saskatchewan.

• (4:10 p.m.)

The chairman went on to say:

> We appreciated the submissions and were sympathetic to them but the commission tried to satisfy itself the implementation of any or all of the changes suggested would result in an over-all improvement.

That is a strange and unusual attitude, that when members from all parts of Saskatchewan appeared before the commission and made representation to the contrary, the commission of four simply said, "You don't know what you are talking about. We don't think your suggestions are worth consideration, and so they are out."

He also said:

> We found that in general any attempt to redraw the map to conform with the suggestions did not persuade us any improvement would result.

You, sir, listened to the hon. member for Qu'Appelle (Mr. Hamilton) today, and though he was limited for time he made a compelling argument to the contrary, and one that cannot be brushed aside. It is an interesting circumstance that for many years, according to some who live in the aura of university training and education, the rural areas were over-represented. Some of the political scientists said it was wrong that the rural areas should not be required basically to have the same population as the urban areas.

I cannot place on the record what I have here in my hand and am showing you, sir, but in the proposed map, schedule D, of Saskatchewan, if you look at the area representing Meadow Lake, the representative of that constituency goes from the city of North Battleford to the north end of Saskatchewan, to Uranium City, a very flourishing place in the northern area. But the commission was not satisfied with that. It also took an area west of Prince Albert up to Big River, an

area that has always been in Prince Albert constituency from the earliest days in the 1880's, and added it to Meadow Lake.

No member of parliament, even though he had twice the energy of the present member, would be able to cover the new constituency of Meadow Lake. Why not add on Big River to Shellbrook and Parkside, adjacent to Prince Albert, and put them all in Prince Albert where they have always been? That would not reduce the population of Meadow Lake to any extent.

The additions that are made do not concern me, but these people have the right to be considered when they are to be placed in a constituency in which they have no comradeship or interest. These people deal in Prince Albert. They have been there for generations, but now they are bodily cut off and put into a constituency several hundred miles long, far removed from that community of interest that should justify their inclusion.

I might mention the historic nature of Prince Albert. I am not here for the purpose of advertising my constituency. I did that in my maiden speech, Mr. Speaker, my second maiden speech in 1953, but we are the only constituency in Canada that has ever been represented by three prime ministers.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: That is an unusual circumstance. It just shows that there must be a particular attraction to the area because Wilfrid Laurier, as he then was in 1896, became member for Prince Albert. Incidentally, we are having a school named after hin in the city so that in 1967 it will be remembered that he was our member. He was also elected for Quebec East. In those days leaders used to run in two, three, or even more constituencies, and when they got elected in them all they sorted out the one they finally remained in. Sir Wilfrid Laurier, as he subsequently became, remained in the province of Quebec, and understandably so.

Then we had Right Hon. Mackenzie King. He came to Prince Albert in 1926. He was a stranger and he took us in. I am one of those who met defeat at his hands in 1926, and he represented us for a long period of years. Both in 1896 and 1925, when Mr. King came to Prince Albert, the area to which I refer contiguous to Prince Albert, was in that constituency.

It is immaterial to me so far as votes are concerned. It is not a question of that at all because, sir, without boasting, having received 66 per cent of the vote in 1965 that is not the kind of a percentage that causes a member to be too fearful if he looks after his constituency. But, sir, this area should be in Prince Albert.

Now I come to another area north of Prince Albert. I understand you are quite a fisherman, Mr. Speaker, no one from your constituency could be other than that. But one of the finest fishing areas in all Canada is at Lac la Ronge. It is joined to Prince Albert by road, but not to any part of Meadow Lake by road. Lac la Ronge does all its business in Prince Albert, but it is to be taken bodily out of the constituency and added to Mackenzie constituency, to which it has no relationship or no continuity or community of interest. These changes that I advocate will not affect the map in any way but they will bring a degree of reason and logic to it which otherwise will not be there.

The hon. member for Qu'Appelle has dealt with the other constituencies and I am not going to repeat the arguments he has advanced. But I come back to the point I made earlier. The cities should have their own constituencies. That was the basic principle that was made clear by Mr. Castonguay. But in the province of Saskatchewan they departed from that. Why? I do not know what the reasons were.

As the hon. member for Qu'Appelle has pointed out, the mathematical manner in which the division has been made is amazing. There is a surprising equality. There are the rural seats. I have mentioned Meadow Lake and Mackenzie. There is no member living who can cover all those constituencies if he carries out his responsibilities in parliament. It was never intended that a map should be designed on a mathematical basis with no regard to topography, to past associations and to historic relationships.

The hon. member for Qu'Appelle mentioned Fort Carlton. There is no more historic place in Canada than Fort Carlton. He mentioned that there were some areas in eastern Canada, in the province of Quebec and in the maritimes, where there was a deep loyalty to them.

• (4:20 p.m.)

Fort Carlton was not in existence when we went west, but my father taught in that area. Fort Carlton is one of the earliest settlements in western Canada, and it has always been associated with Prince Albert. It is now to

become part of the Meadow Lake riding. That shows there has not been that degree of care taken that should have been taken.

One hon. member when speaking today mentioned that he hoped these maps were not drawn in Ottawa and simply handed to the provincial commissions. This map could not have been drawn anywhere else than in Ottawa, by somebody that does not know anything about Saskatchewan. This same thing has happened in respect of the proposed maps of other provinces, and I cannot understand why this is the situation.

I wanted to see non-political, non-partisan maps providing for proper representations, based not on political but on sensible foundations. This proposed map of Saskatchewan does not qualify on the basis of that criterion.

As a result of a competition which took place in the United States, the Supreme Court of that great nation ruled in 1957 or 1958 that there should be representation by population, as far as is possible. However, this parliament, as the hon. member for Qu'Appelle said so well, decided in its wisdom on a tolerance formula, but that formula was not utilized as it should have been.

For many years we have heard the suggestion that farming areas have too great a representation, and there was foundation for that suggestion. This map should have been drawn before the last election was held. There never should have been an election pushed on us as it was, with constituencies in Canada having 225,000 population and others having populations of 35,000. We now have time to do something about the situation.

The suggestion has been made over and over again that we are ending what Mr. J. B. McGeachy of the *Financial Post* describes as a "tyranny of yokels", a "yokel" being a rural fellow. I do not like that expression and I think there will be resentment over its use. A rural riding is much more difficult for a member to cover than an urban riding. There are great difficulties facing a member who has to serve a rural area with all its varying features, the pull of attraction or antipathy, as the case may be. Our objective must be to have representation by population as far as possible, but it was never intended that the commissions should be given the power to say: Whatever the tolerance may be that parliament provided, you must take what we give you and like it or lump it, to use a colloquialism.

I urge very strongly that action be taken by the commission in Saskatchewan to give the fullest possible consideration to the representations that have been made by the hon. member for Qu'Appelle and others. All we are asking is that there be justice—that there be justice for the people living in these areas.

A division such as was made by the commission in certain areas in Saskatchewan is a division that could have been made with a compass and a population list, with no regard whatsoever to the physical features. One of the most impressive portions of the argument advanced by the hon. member for Qu'Appelle was that part relating to the Saskatchewan river dam, which is in the constituencies of Moose Jaw-Lake Centre, Meadow Lake, Kindersley and Rosetown-Biggar. When that project is completed how is a member going to get across into his constituency?

An hon. Member: He will have to swim.

Mr. Diefenbaker: Anybody who tries to swim the Saskatchewan river will only succeed in reducing the population, and it will be reduced by exactly the number who participate in the attempt.

The commission has not given consideration to that situation but I hope it will do so. The brushing aside of representations is not conducive to that co-operative attitude that we have had in this house in our attempt to assure that representation in parliament shall not be determined on a partisan basis, but only having regard to the welfare of this country as a whole.

I conclude by again suggesting that the time has come for a constitutional amendment to add to our membership from the province of Saskatchewan, which today is being reduced to a minimum. There is a maximum of economic development and tremendous hopes for the future in that province, but this is a relegation of that province, by its reduced membership, to a kind of borough, because of its reduction in population as compared with the increases in population in adjoining provinces.

I hope that the commission will not follow the course it has followed, of consulting nobody but itself, or, if it did consult anybody, not listening to them, pushing everything aside that was brought before it. Surely of all the representations and briefs presented to that commission there was something worthy of consideration by this commission. One would think that among all the representations made by the people of Saskatchewan

there would have been something that the commission could accept.

Surely the admission of the chairman of the commission would indicate that what took place was cut and dried. That is much like the laws of the Medes and the Persians. That is not the way to build co-operation and to assure that the franchise—the highest right a Canadian citizen has—shall not be subject to considerations other than for the welfare of the state and the right of the individual.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, the right hon. Leader of the Opposition (Mr. Diefenbaker) and the hon. member for Qu'Appelle (Mr. Hamilton) have presented very clearly and forcefully the objections of Saskatchewan members of parliament to the proposals of the Electoral Boundaries Commission for the redistribution of the federal constituencies in our province. I do not consider it necessary to add anything of a general nature to those very strong objections to the redistribution map that appears in the report of the commission. There are a few points that I should emphasize in regard to local problems.

• (4:30 p.m.)

I want to state, as other members have, that my remarks are not based on self-interest. I consider that I am speaking for a community of interest and for local contacts. I have before me the map of the constituency proposed by the Electoral Boundaries Commission. It includes the city of Moose Jaw which I represent. About the only portion that remains of the constituency I represent, Moose Jaw-Lake Centre, is the city of Moose Jaw. Nearly all Lake Centre, which I have represented for more than eight years, has been chopped off. I would point out, however, that another portion of old Lake Centre has been included. This is a very fine area and any member would be very proud to represent it. I am not presenting this individual objection on any other ground than trading areas, accessibility and coverage by news media. I consider these three criteria to be very important in determining constituency boundaries. Accessibility to all sections of a constituency is a main essential in redistribution. This fact has been emphasized by previous speakers.

Accessibility involves main highways, natural boundaries such as rivers, and the avoidance of barriers such as large lakes and river valleys which make automobile travel difficult. An inspection of the map of the consitituency proposed by the commission will

emphasize the points to which I refer. I am dealing now with the proposed new constituency of Moose Jaw. I deal first with the trading areas. The line drawn by the commission extends north from Moose Jaw a distance of about 100 miles to within 12 miles of Saskatoon, which certainly is in the Saskatoon trading area. Then it extends 80 miles or more to within 18 miles of Swift Current, which is completely within the Swift Current trading area. These are very fine trading areas but they are distinct trading areas, being separated by distance and having very little to do with each other in regard to commercial trading.

I would emphasize particularly the importance of accessibility to all sections of a constituency. This matter has been referred to by other hon. members. In the map drawn up by the commission the South Saskatchewan River cuts through almost the middle of the proposed constituency of Moose Jaw and includes Outlook, where the dam on the South Saskatchewan River will be situated. As other speakers have mentioned, the building of this dam will create a lake over 200 feet deep, seven or eight miles across and 135 or 140 miles long clean through the middle of the proposed constituency. Whoever represents the constituency of Moose Jaw will have almost as large an area on the northwest side of this huge lake as there is on the southeast side, and there will be very few ways of getting across the lake except by means of a few bridges.

In my opinion the commission should have considered this matter very carefully. The right hon. Leader of the Opposition (Mr. Diefenbaker) referred to statements of the commissioner. The commissioner said that he listened to arguments but saw no reason for changing these boundaries. I would point out that in my objection—and I appeared before the commissioner and presented my case as clearly as I could—I told him about this lake. He and the other two commissioners nodded their heads, appeared to agree with what I said, and then I was surprised to read the report that they decided they would leave the boundaries exactly where they were. Perhaps I should not say this, but maybe they did not want to go to the trouble, as they told me personally, because moving the boundaries of one constituency would involve changing all the rest and arriving at new figures.

I can vouch for the fact that the figures on the map presented by the hon. member for

Qu'Appelle have been compiled very carefully from the official population statistics in the last federal census and by reference to the boundaries of all the municipalities. Now that these figures have been compiled, I suggest to the commission that they should consider them carefully and give serious consideration to the boundaries contained in the map filed here today.

My objection also referred to coverage by news media. I have in my hand a map showing the area served by one of the stations that covers Moose Jaw. It goes nowhere near completely covering the area included in the proposed riding of Moose Jaw. The station in Swift Current will cover part of the area and the station in Saskatoon will cover part of it. Therefore there will be three widely-reported news media covering this very large area each with different community interests.

The suggestions I have put forward and those of the hon. member for Qu'Appelle, who had the help of the other members from Saskatchewan in compiling this objection, should be very, very carefully considered. The commission has a precedent for making changes. I should like to read just one comment contained in a Canadian Press story printed in the Moose Jaw *Times-Herald* of January 20, 1966. This paragraph says:

> Prime Minister Pearson's Ontario riding of Algoma East, altered severely in the preliminary map, was almost restored to its present shape.

Therefore, as I say, there is certainly a precedent for the commission to consider very carefully what we have suggested and I hope they will make changes such as this Canadian Press story indicates were made for the constituency that is to be called Algoma. That is all I wish to say, Mr. Speaker. I thought a member should rise and comment upon how the proposal of the Electoral Boundaries Commission affects him. I say again that this is not a matter of self-interest but of trying to arrange a constituency that a member of this house can adequately represent.

• (4:40 p.m.)

Mr. K. H. More (Regina City): I should like to make some brief remarks at this time with regard to the objections of the electoral boundaries in Saskatchewan as drawn by the commission. I think it goes without saying that their task in Saskatchewan was difficult because we were losing four seats. The efforts that were made prior to the commission being given its task to have our loss of four seats lessened fell flat. There was no co-operation from the government here. A plea to the legislature of Saskatchewan to support our efforts was rejected. In fact, the Premier of that province, in response to an argument I had made, said that I was just trying to shift my responsibility to their shoulders; I could look after it myself.

This is not what happened in 1952, when Saskatchewan was slated to suffer a severe loss of seats. At that time the legislature was controlled by the old C.C.F. party. This government introduced a bill into the legislature, which carried unanimously and was referred to the authorities in Ottawa. The then prime minister recognized the plea, and Saskatchewan's loss at that time was minimized. This is in comparison with the actions of the present Liberal government in Saskatchewan, and this government here.

We recognize that the commission had no alternative but to deal with the Saskatchewan problem on the basis of giving Saskatchewan 13 seats. I have listened to the remarks of my colleagues and, in general, I feel the arguments they have put forward are worthy of support. It does appear that the commission has used mathematical calculations almost completely in their consideration, and that they have ignored lines of communication and community of interest. Community of interest is very important to people who are going to be represented by a member, especially where there are diverse interests in a constituency such as urban-rural interests. Urbanization is growing apace, and the voice of the largely increasing urban areas must be heard, and must be heard emphatically in parliament.

My purpose in rising at this time is to make a plea that the commission give consideration to the presentations that have been made here today, pointing out the failure of the commission to recognize natural boundaries, community of interest and so forth. In giving this consideration, the commissioners should bear in mind that the voice of the urban areas, our two large cities of Regina and Saskatoon, must not be diminished. This has happened in the past. The boundaries were set on the basis of gerrymandering and for political purposes. The result was that a large number of people in the growing and developing urban areas, whose whole interest was in the city, who paid their taxes there, who were subject to police and fire protection of that area and the school system of the

area, could not make their voice heard in the choice of a representative for the area.

So far as the city of Regina is concerned, the division proposed by the commission does not fracture the city. We know that if we are to keep within the tolerance set by the act, the city cannot have two completely urban constituencies. A line has been drawn along the main street, and it continues along a prime highway in Saskatchewan. It is a boundary that leaves no one in any doubt as to which part of the constituency they would be in. The commissioners, however, go beyond community of interest and I think this is important. The boundaries have been set according to the population in the city, and some people have been put in areas in which there is no communication and no community of interest whatever. The people in the northern areas are oriented toward Saskatoon, one of the other large centres. These people, in effect, lose their voice in that constituency to an extent that I am sure would not be satisfactory to them.

If the commission listens to the representations that have been made by my colleague in regard to natural boundaries and community of interest, and gives consideration to the fact that we have presented them with a well prepared map of constituency boundaries, which results from weighing these problems that have been raised in connection with the proposed boundaries for the two seats designated as Regina-Lake Centre and Regina East, they should bear in mind that the division of a city should be a straightforward division. It should be a division that will not fracture the voice of those whose interest are urban. It should be a division that will allow for new growth, expansion and development that will take place before the next census. There is no real cleavage between urban and rural areas in these constituencies. These people are oriented to doing their business in a certain place and this community of interest should be kept in mind in drawing the boundaries.

It is in the interests of urban people that the rural community be successful and prosperous. It is in the interests of the rural community that the urban area should develop. These people have, therefore, a united interest in having the boundaries drawn in such a way that community of interest is dominant, and will leave a happy situation for the member or members who will represent those interests.

[Mr. More.]

This would be my submission. The commissioners should consider the representations that have been made, the new map that has been drawn, as well as have regard for the increasing urban areas. The boundary lines should be set so that the voice of these areas will not be fractured but can be heard, and heard emphatically. The boundaries should be set in such a way as to allow for the growth that will take place before another redistribution occurs.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): I may be somewhat repetitious, Mr. Speaker, in speaking about the redistribution of Saskatchewan seats. I think the saddest part of this redistribution is the fact that Saskatchewan will lose four seats. This redistribution is based on the 1961 census, but the population of Saskatchewan has increased greatly as a result of some industries moving into the area. I believe that at the moment the population may be well over a million people, and at the last census it was less than a million people.

• (4:50 p.m.)

Another objection I have is the fact that the redistribution commissioners paid absolutely no attention to the agricultural constituencies. Strictly speaking, the majority of our seats are agricultural seats, and the two largest cities in our province, Saskatoon and Regina, have two large rural areas attached to them. Another factor which was not taken into consideration is that we have a number of rivers and these rivers run right through every constituency the new commission has approved. This is a hardship.

It was stated here previously that after the South Saskatchewan River project is completed and comes into operation there will be another big lake right across the centre of Saskatchewan which will also make it very difficult for a member of parliament to serve these constituencies. The hon. member for Qu'Appelle (Mr. Hamilton) and other members have given their time to speak on this matter and have sketched out the new constituencies basing them on such considerations as making the cities strictly urban constituencies, and the rural areas representing the agricultural people as rural constituencies.

I would ask the commission to give serious thought to our representation and particularly to the very masterly deliberation of the hon. member for Qu'Appelle, who was instrumental and helped us to draft these new

constituency lines. Everything was taken into consideration; the representations were not neglected. However, I believe, Mr. Speaker, that if this presentation of our new map will be accepted, many of the inconveniences and representations by the rural people to one member and by the urban people to another member would be more satisfactory than it is at the present time.

There is very little I can add to what has already been said so eloquently by the leader of our party, the right hon. Leader of the Opposition (Mr. Diefenbaker), and also by the hon. member for Qu'Appelle (Mr. Hamilton). However, I know I speak for all the people of my constituency of Humboldt-Melfort-Tisdale when I say they will not be pleased to be attached to the Saskatoon constituency. The new constituency as outlined at the present time will be strictly an agricultural area; it will be divided from the Prince Albert constituency by the South Saskatchewan River. It will also leave out some other areas which were attached to Saskatoon.

It gave me great concern when I saw the new map. I do not know if the people of my constituency would want to nominate me again according to the new map or the new redistribution system, but if I were elected again I would have to serve about two thirds of the people in the city of Saskatoon, urban citizens, and the rest would come from the agricultural area of Saskatoon-Humboldt. On the other hand if a member from Saskatoon, who may not be informed about agricultural matters and grievances, represented such constituencies pertaining to matters of agriculture, I believe this would be a hardship to the people.

In conclusion, Mr. Speaker, I would ask that the commissioners, who will be presented with this new map, give serious consideration to the matters which have been brought up in this debate. It is not a matter of just criticizing the commissioners from Saskatchewan, but one of presenting the facts as they exist in our province.

Mr. Stanley Knowles (Winnipeg North Centre): It is not my wish, Mr. Speaker, to take part in the debate on Saskatchewan boundaries in any sense of arguing with the points which have been made by the members from that province. However, there was one statement made by the Leader of the Opposition (Mr. Diefenbaker) which I believe should be corrected, at least for the purposes of the record. His statement was to the effect that the Saskatchewan population had declined; the inference was that its population is down now from what it used to be. In particular he inferred that the population had declined during the years when a socialist government was in power.

Let us look at the figures, just for the record. According to the 1921 census there were in Saskatchewan 757,510 people and in 1931, there were 921,785. In the next ten years, from 1931 to 1941, the population declined to 895,992. Then in the next ten years, 1941 to 1951, during which the C.C.F. government was in power for part of the time, it continued to decline to 831,728. However, the most recent census, taken in 1961, recorded a population in Saskatchewan of 925,181. During that ten-year period, from 1951 to 1961, when there was a substantial increase in the population of Saskatchewan, the C.C.F. government was in power the whole time.

I do not think there is any particular connection here, but the Leader of the Opposition saw fit to try and make a connection between the government which was in power, and facts which he did not state quite correctly. As a matter of fact, Mr. Speaker, the population for Saskatchewan in 1961, listed at 925,181, was the largest in the entire history of that province. As I say, I just felt that this fact should be on the record. Obviously, the reason Saskatchewan suffers a loss of seats is not that Saskatchewan has suffered a loss in population, but that other provinces, notably Ontario, Quebec, Alberta and British Columbia, have gained in population at a rate more rapid than is the case for Saskatchewan. We also know that the reason the drop at this time is from 17 to 13 seats is that there was a Gardiner floor which protected the representation at 15 seats ten years ago.

As I say, Mr. Speaker, I am not arguing with the case the members have made; I believe they have made a good case for their map to be reconsidered. However, I think the case would be even stronger if the facts were stated as they really are. I submit that in fact the case which Saskatchewan has for consideration is strengthened by the fact that its present population is not one of decline; but its present population is the largest it has ever had in its history.

• (5:00 p.m.)

Mr. Deachman: May I ask the hon. member a question? I want to know whether he felt

that the increase in population in Saskatchewan was due to the fecundity of the socialists, or was it due to the immigration policy of the Liberal government?

Mr. Knowles: I do not contend there is any necessary connection at all between the growth or the decline of population in a province and the government that happens to be in power in that province. What I did not like was the suggestion made by the Leader of the Opposition that there was a relationship between the government that was in power, and the alleged facts which he stated incorrectly.

Mr. Rapp: If I may comment on that point, I think what the Leader of the Opposition had meant was this, that the population at the present time is above what it was in 1961. Presently there are over a million people in the province. Then he said that this is perhaps for the reason that we now have another government, and not that C.C.F. government which was in power previously. However, I do not think that the Leader of the Opposition meant to reflect on the previous government.

Mr. Knowles: I am surprised that my hon. friend would advance an argument of this nature. What he is doing is to give credit to the Liberal government for something that it did, which is strange, indeed, coming from a Conservative such as he is.

Mr. Winkler: I should like to ask a question of the hon. member also, or make a statement to clear up the matter, in the context in which it was discussed.

I believe that the right hon. Leader of the Opposition was making a comparison of Saskatchewan, Alberta and Manitoba in the same period. I leave it there.

Mr. Knowles: What I said for the record will speak for itself. I quoted the actual figures, and I put them on the record.

Mr. Deputy Speaker: Does this complete discussion of objection No. 10 with respect to the province of Saskatchewan?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The house having considered this objection, pursuant to section 20 of the Electoral Boundaries Readjustment Act it is the Speaker's duty to refer the report of the Boundaries Commission together with a copy of the objection and also a copy of the debates of the house back to the commission for consideration thereof.

[Mr. Deachman.]

On Wednesday, when the house was discussing objections respecting the province of Ontario, the hon. member for Simcoe East (Mr. Rynard) was unable to make a statement which he desired to make. The house agreed then that permission would be granted to him to make a statement when he was present in the house. Will the house agree that he may proceed with this now?

Some hon. Members: Agreed.

Mr. Greene: On a point of order, Mr. Speaker, I also was in the position of being caught. I could not be here last night as I had to arbitrate a conflict between two participants, one in Detroit and one in Montreal. I would ask the same consent of the house as was extended to the hon. member for Simcoe East.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Reid: Mr. Speaker, as a result of a prior appointment I was unable to be here. However, I was informed that I should have an opportunity to speak on this matter too. I should be only a few minutes.

Mr. Deputy Speaker: Is it agreed that the hon. member may speak?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I am sure that the house, in extending the privilege to the hon. member for Simcoe East to make the statement now which he would have made previously, would be generous enough to extend the same privilege to other hon. members from Ontario.

Some hon. Members: Agreed.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I want to thank you, and through you the house for its courtesy in allowing me to speak on this matter. I should be remiss if I did not refer to the hon. member for Carleton (Mr. Bell) for making a request on my behalf when he knew that I wished to speak, but that I had an engagement out of town.

First of all, Mr. Speaker, may I report on the riding of Simcoe East which, according to the last census figures, had a population of 59,000. Today, with normal growth, that population ought to be 65,000.

This is a growing economic area. This year in the north end of the riding in the town of

Midland, three new industries will be established, one of them being the $25 million plant—it may be worth more—of the R.C.A. Victor Company. The new industries will bring in a number of people. It has been suggested that the new industries would bring into the area between 3,000 and 5,000 additional people.

That means, Mr. Speaker, that with the natural increases, this riding alone would have a population of between 75,000 and 80,000 people at the next census. The area covers 1,600 square miles, with three centres of communal interest, the three centres having a mayor or a municipal council, service clubs, federal buildings, business centres, hospitals, newspaper and radio centres, bringing news of regional and communal interest.

Here, in one area, we have more communal interests than is the case in most urban ridings. Within the area we have great diversification of occupation. I think it is well to consider this. We are surrounded by water on three sides. The federal Department of Transport has officials, with their families, living in the area. We have post office officials, unemployment insurance officers in all centres, and in both ends of the riding we have half a dozen post offices, and smaller sub-post offices. In other words we have a sizeable number of civil servants and their families in this area alone.

Also, we have people engaged in the tourist industry, which is one of the big industries of this country, and we have the operators of tourist resorts, with all their problems. Also, we have all the way from vegetable to large dairy farmers, in addition to which we have highly industrialized areas in the Midland-Penetang area in the north and Orillia in the south. Besides this we have those in the business and professional community in all areas. As I have mentioned before, we are surrounded by water on three sides, and as a result we have sailors, those who operate boats in one form or another, and fishermen who fish both for pleasure and for profit.

This, I submit, indicates the diversity in the occupations of the people, and therefore the diversity of their needs. I hope, in having indicated this diversity in our peoples, that I have also indicated that as a result of this diversity the whole area requires more service from a member than would be the case in a great many other urban areas of Canada.

If the service by the member is to be provided to the community, it follows therefore that a member cannot serve all of a given number of people equally, because due allowance must be made for regional diversity of occupation, and for the size of any group of people in any given area. If these facts are not considered, I submit that they ought to be. I humbly submit that Simcoe East is large enough, without making any changes whatsoever. If change is needed, and if more population is needed, then regionalism ought to be respected and the townships of Mara, Rama, Thorah, Beaverton, Carden and Dalton ought to be considered.

This is an area, Mr. Speaker, with a chamber of commerce in Orillia, the members of which go out into these areas. In the town of Orillia there are two hospitals, namely the Ontario Hospital and the Soldiers Memorial Hospital. The Orillia hospitals serve that entire area, the people who are sick coming to hospitals in Orillia from an area which stretches 25 miles to the south, to the east, and beyond.

I wish to say that if these townships are taken into the area, it would increase the population of the area by 5,000 to 6,000 people. Then, Mr. Speaker, it would be well up and over the 80,000 which is put as the average or the maximum for a rural area.

• (5:10 p.m.)

The city of Barrie and the township of Vespra would be very welcome additions, indeed, to this riding, and any member would be happy to represent this area. Most of the people in the area I know well. However, if this is done, 32,000 more people would be added to the constituency—28,000 in the case of Barrie and 4,000 in the case of Vespra.

Where are we going? Before very long there will be 100,000 people in this somewhat rural area. What will happen too when the census is taken in 1971? This area will have to be split up again. This means a lot of trouble; it means many break-ups. How can we expect the school children to know where they are or to get a member or the executive in a riding well acquainted with the area when so many changes are made? As I have indicated, this riding will probably contain more than 100,000 people by 1971, bearing in mind the rapid economic growth. I do not think it would be fair to Simcoe North or to Simcoe East to have to divide them again after putting them together.

If a precedent is needed we need only look at the riding of Algoma East, the Prime Minister's own riding. It is fairly close to and north of my constituency, in the Georgian

Bay area. This riding was changed. I submit this was an excellent idea. I have not gone into all the figures. However, I am sure some of these constituencies need changing. There is a need for alteration. These boundaries should be made as permanent as possible by taking account of all the relevant trends. Here is a growing area, an area which will contain 70,000 people. Why change it? Why not leave it as it is? If any adjustments need to be made, advantages could be taken of the areas to the north, to the south and to the southeast.

I hope the commission will reconsider their proposals before they commit themselves to a course of action which would in my opinion be mistaken. The constituency would cover around 2,000 square miles and I submit it is hardly fair to expect a member of parliament to give adequate representation to an area with so many community centres and such a large and diversified occupational population.

Hon. J. J. Greene (Minister of Agriculture): I should like to make a few brief remarks with regard to this report. I thank hon. members for giving their consent in this respect. The reason many of us were not present yesterday was because the time of the discussion had been changed; it was originally to have taken place today.

In making these representations I am one who cannot be accused of any political partisanship inasmuch as the representations I intend to make concern a portion of my present constituency which is now destined to be broken into two parts and transferred to two other constituencies and which, I believe, should be placed in a third constituency which is not the one in which I am presently located. So any representations I make in this regard can be of no possible benefit to me politically. Nevertheless, I feel representations should be made, since I hold the view that the present boundaries as defined by the commission can only lead to inadequate representation of the people concerned.

I may say that in this regard the hon. member for Carleton (Mr. Bell) and I appeared before the commission and put forward very much the same type of representations with regard to these ridings in eastern Ontario as I am putting forward now. I agreed wholeheartedly with the representations the hon. member for Carleton made at that time and again I concur in his representations in the present debate as far as they involve the approach of the commission to the delineation of the eastern Ontario ridings.

[Mr. Rynard.]

May I point out, as I think has been done by other speakers, without in any way impugning either the integrity or the ability of the commissioners, that here we have a classic example of the dangers of relegating to administrative bodies functions which ultimately relate to the elected representatives of the people. There has been a great tendency in the past few years to give powers to administrative bodies and to remove them from elected bodies. I always think this is strange inasmuch as in the first instance the people themselves achieve power and freedom by taking it away from the executive arm and giving it to their elected representatives. In the past few years we have been reversing this trend and telling ourselves: Anything we can take away from our elected representatives and give to administrative bodies will constitute an improvement.

Here we have a clear example of the danger of doing this type of thing. All of us who are elected representatives of the people, should take cognizance of this flagrant example of what happens when responsibility is taken from elected bodies and given to boards and tribunals. In my humble opinion no elected body of men sitting in this house or anywhere else could possibly have made a redistribution on this basis or could possibly have made a worse redistribution than has been done in this case. Yet there still seems to be some sanctity about giving the job to an administrative board or commission rather than to a committee of this house.

• (5:20 p.m.)

If a committee of this house had made a redistribution in this fashion without in any way considering the social, economic and political habits and mores of the people—if an elected body said, "You will vote wherever we say you are going to vote. It does not matter what you are used to, or what you like, or what would be more convenient for you. We do not care about that. You will vote where we say you will, irrespective of your convenience"—if any elected body of persons had done that they would be called to account very quickly at the next election by the people whom they so treated.

But here we find this body is not responsible to the people. They can make decisions of this kind and have apparently to account to no one for such decisions. Apparently they have complete security of office. They are not too concerned with the effect on the people whom they are putting into these unaccustomed areas.

They say that as long as they have a reasonable numerical equity per vote, as long as there is something in the neighbourhood of 53,000 people in a rural constituency, then where the people vote, does not matter. They say, "We will take a compass and draw a circle on the map, and wherever that circle happens to touch that is where the people will go and vote." This is the very negation of an honest attempt at a form of redistribution which will give the best possible representation to the people concerned.

I think we are all agreed that a redistribution was badly needed, that in the great cities which had grown so rapidly in the post-war period there was an inequity in that a very large number of people had only a single member, as compared to a smaller number of people having a single member in a rural constituency. I think all hon. gentlemen would agree that that was not right. But surely merely to equate numbers and say, "Now that we have equated the numbers everything is the best in all possible worlds," is just as grave as to have the inequities of numbers that we previously had.

I think the commission has shown great contempt of the people with this redistribution and its approach to the matter. When debate took place in the house on the redistribution bill, I was somewhat concerned because I have had some experiences with administrative tribunals. I know how very quickly they lose touch with the people, and how very quickly they are inclined to become a law unto themselves because they are responsible to no one but themselves. I very much feared that a tribunal of this kind might not consider what was best for the people themselves in the areas which it was carving into new ridings.

At the time of that debate, even though it may not have been specifically spelled out in the act, I hoped that the commissions would take the trouble to catch the spirit of the act. I hoped that the commissioners would read the debate that had taken place, and thus catch something of the spirit of the act. I hoped they would not just carve the new ridings, willy-nilly, without considering the social mores of the people in the areas involved, the geographical connotations or the new boundaries, the historical associations of the people involved and also, very importantly, the ready ability to organize for political purposes within the new boundaries that they were going to establish.

This is something that cannot be done in a vacuum. The purpose of a redistribution is to create boundaries for political elections, which involve political organization, and if a commission carves up these new ridings without having any concern as to whether or not they are areas that might readily and most facilely be organized for political purposes, then it is denying the very object of the thing it is doing.

Some hon. Members: Hear, hear.

Mr. Greene: The area with which I am particularly concerned is that which was formerly in the west end of the constituency of Renfrew South. This is an area which goes roughly from Eganville to Whitney, an area which, if I am not mistaken, has been entirely within Renfrew South since 1941 and at that time it was only the Whitney portion which was added. The rest had been in Renfrew South for many years previously. The people living there, apart from voting in Renfrew South, have all their connections, all their organizations and their habits—their whole lives—centred in the county of Renfrew. When they go to a larger centre to do their shopping they do it in either Pembroke or Renfrew.

Their church organizations are determined on a county basis. All their clubs and social associations are determined on a county basis. Their provincial political organization, even after redistribution, is on a county basis. The riding was maintained almost intact in South Renfrew in the provincial redistribution. They are organized politically for municipal purposes on a county basis, and are associated with the county of Renfrew for all purposes.

Now, all of a sudden, we take these people and for no good reason put them into two other ridings—no good reason but that this is the simplest thing to do. The commission did not take the trouble to concern itself with the habits of these people and where it would be most convenient for them to vote. It merely considered creating a numerical equation. All these people are being put into two new ridings. The key town of the two new ridings, the town which will likely be the hub of a new political community, in one instance is the town of Lindsay, and in the other the town of Napanee. But there is virtually no communication of any kind between Napanee and Lindsay and this area which is being carved up stretching from Eganville to Whitney. There are virtually no roads to

speak of, whereas between Pembroke and this area there is a major highway.

The people in this area have no association with either Lindsay or Napanee because they have been used to dealing with the county of Renfrew and the county town of the county of Renfrew, at Pembroke. If the commission had taken the trouble to find out, instead of getting the job done in a hurry so that its members could go back fishing, or to whatever else they were concerned with, it would have discovered that these people are historically geared to the county of Renfrew. All their associations, political, social and church, are in the county of Renfrew.

They are used to travelling to the town of Pembroke and they will be much better served politically if they remain in the county of Renfrew, and not carved up with one half going into one county with which they have no connection, and the other half going into some other territory with which they have no connection.

Apart from the difficulties of political organization I would bring this point to the attention of the house, Mr. Speaker, and to the attention of the commission, if it wishes to pay any attention to our contributions here—that is, if it does not treat them as unthinkingly and unconcernedly as it has other representations that have been made to it—that quite apart from the difficulties of political organization, which may be something that the public might feel was a selfish motive, I suggest that in this day and age it was never more important that people take an interest and play a part in the political affairs of their country.

• (5:30 p.m.)

Surely if this system of ours is going to prevail and do the job it is intended to do, it can only do so if the people themselves participate to the greatest possible degree in the political affairs of their country, either through association with a party of their choice or by taking part in deliberations at meetings of various parties, if they prefer this course. If you take people and put them in a new riding with which they have no previous communication, for any purpose, they are not very likely to take part in political affairs.

Several people have spoken to me and have said: "Well, Joe, I took part in politics, I went to meetings and belonged to a party, but I am not going to do so any more because what is the use, I do not know anybody in Lindsay, I've never been to Lindsay". Many of them have said they do not know anybody there, have no association or connection with the area and they will no longer be interested in politics. This is the same in the case of Napanee in the other riding. These people point out that they have nothing whatsoever against the areas of Lindsay or Napanee, but they feel they can take a more active part and would be more interested in the politics, and for that matter, better served by their representative because he would know about their problems, if they were permitted to remain in their traditional location for all purposes, namely in the county of Renfrew.

To be specific on this point let me say this. The new riding of Renfrew North could very well have taken in these people and would serve them much better, for the purposes to which I have referred, than they will now be served by this new riding with which they have no association. I can see no reason in the world why the area between Eganville and Whitney could not have been put in the constituency of Renfrew North. This may have required a little effort. But this ought to have been done all the way through, as my hon. friend from Carleton (Mr. Bell) suggested, in order to find geographical delineations which would serve the people in the manner in which I have mentioned. The commission should have said to themselves, we are going to draw new boundaries, and we are going to have great concern for the idea of having an equal number of votes per riding, so that the principle of one man, one vote, will be the order of the day. But we intend to have some flexibility.

I suggest that this flexibility was given to the commission for the very purpose I have envisaged, in order that the people could be included in ridings where they would get the best representation. The commission was given some flexibility in order that it might do this only after very considerable discussion and deliberation in this house. They completely ignored that flexibility that was given to them for that very purpose and thus, I suggest, were if anything in contempt of this house.

I do not think that absolute numerical equality is the answer. The necessary thing is that people receive adequate representation. The name of the system under which we operate is that of representative government. Surely this requires that ridings be set up in

such a way that the people have a geographical entity, whereby they can best be represented.

It does not matter if one riding has 51,000 people and another has 56,000 people if the boundaries of the riding are such that within that riding the people are living in a unit in which they are accustomed to operating in other fields of their endeavour, and if they maintain their traditions and history, and if the riding is that kind of unit which encourages them to participate in politics and take their proper place within the political system. Surely it is far better to have some numerical discrepancies and have that kind of a riding than to have perfect numerical equality by shoving everyone into ridings where they have no connection or association, and where they will not take part in the political affairs of their country.

Some hon. Members: Hear, hear.

Mr. Greene: Mr. Speaker, I should now like to add a word or two on behalf of the Polish community which is centred in Wilno, which is located in the area to which I have referred.

This community has existed for over 100 years. There are several generations of Polish people living there who have played a very great part in the history of the development of Renfrew county. These people have been among the foremost citizens who took part in the last great conflict. I am not personally familiar with world war I, although I may look that old, but certainly during the second world war—

Mr. Bell (Carleton): Just wait until you have been a minister a couple more years.

Mr. Greene: In another couple of years I will be back to the Boer war.

Certainly no people played a more worthy and glorious part in serving their country during the second world war than did the Polish people of Renfrew county. I have no specific statistics but I would venture to say there is no segment of the Canadian population that had a greater percentage of men enlist voluntarily in the armed forces than did that Polish community of South Renfrew.

These people came to that part of Canada, even though there might have been land available that was more arable, because it reminded them very much of the part of Poland from which they had emigrated. They have played a very great part in the historical development of Renfrew county, and they are proud to be a part of that area. Renfrew county means a very great deal to them. All their associations have been within the county of Renfrew for many years. These are Roman Catholic people, and the diocese of Pembroke is the diocese in which they find themselves, for the purpose of religious organization. The bishop of the diocese lives in Pembroke. They are deeply religious people and they look to Pembroke as the centre of their religious organization.

As I said earlier, for every purpose—social, economic and religious—they are a part of Renfrew county and a very proud part. They have always taken a very keen interest in the political affairs of this country. These people came here because of the inadequacies of the political affairs in their own land, and they have not forgotten that it is important to take part in political affairs in order to preserve those rights which they cherish and deem paramount.

These Polish people have been accustomed to doing everything they do in associations of various kinds, since the time they came to this country, in the county of Renfrew. What we are doing now by this commission proposal is chopping them in half, placing part of them in one riding and part in another, showing scorn and contempt for their history and tradition. They care not how much it has meant to them to have been part of Renfrew county for all purposes—social, religious, economic and political—from the time they came to Canada.

I believe their history is extremely important. We have too little history in this country and this is a time when we must have more concern and pride for our past. I think we are doing a great disservice not only to these Polish people, but to the needs of the country, in showing this complete disregard for their past, and by putting them into these new ridings, irrespective of what they might want.

• (5:40 p.m.)

I would urge the commission, now that they have the opportunity and the time, to take a second look at this matter. We have all made mistakes in the past, and it may well be that the commission felt there was the pressure of time upon them—they were in a hurry; there was an election coming and they had to get this job done. Perhaps that is why they did the job in such a haphazard fashion.

My hon. friends opposite have assured me that if the commission will but do a proper job in this regard there will be no need for redistribution for two or three years, so the commission will have plenty of time to do a proper job.

I hope they will have the courage to take a second look at this matter and to consider anew the need for good representation; that they will review their findings in the light of representations here made and will come up with a better job, on second look. In that second look I trust they will bear in mind that the people of the west end of South Refrew from Eganville to Whitney should be placed in the constituency of North Renfrew.

If this is done, these people will be more adequately represented in this house and will feel they are members of a meaningful political system to a far greater degree than if this area is carved in half, as proposed, and they are put in what is to them an alien, foreign and unknown political home.

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, I thank you and hon. members for the opportunity to speak very briefly in this debate. I shall speak only briefly because I welcome this report on behalf of the some 350,000 people of York-Scarborough and wish to do nothing to delay its implementation. My enthusiasm must be inhibited somewhat by the realization that the five parts into which this riding is to be divided will still be among the most populous ridings in Canada. This is so despite the fact that they constitute probably the fastest growing area in Canada.

Beyond this general observation there is one minor point with respect to boundaries which I feel should be recorded. The returning officer for York-Scarborough has recommended, I understand, that the lands between Brimley road and McCowan road and between highway 401 and Steeles avenue be included in the new riding of York-Scarborough rather than in the new riding of Scarborough East.

There are a few—I believe eight—existing houses on the east side of Brimley road between highway 401 and Sheppard avenue which are included, under the report, in the proposed new riding of Scarborough East. But these houses would be completely isolated from other residential areas of that new riding. They are separated from those areas by the CFTO television station on the east and the C.P.R. marshalling yards on the north. It would appear that the residents of these houses would have to go a considerable distance, probably in excess of a mile, to vote and the houses are really part of the community which extends west from Brimley Road as well as east, being part of an area whose residents have traditionally voted together at the local school which is on the east side of Brimley road.

The people on the east side of Brimley road are part of the community of Agincourt, which lies to the west of Brimley road in the new riding of York-Scarborough, and in no way are they connected geographically or socially with the other residential areas of the proposed riding of Scarborough East. I support the recommendation of the returning officer, which I understand is strongly supported by the commissioner of planning of the township of Scarborough, that the north-south boundary between York-Scarborough and Scarborough East be the centre line of McCowan road north of highway 401, as it is south of highway 401, at least up to Sheppard avenue but preferably to Steeles avenue, the northern limit of these ridings. Then it would cut through the centre of the railway marshalling yards, which would provide a natural division of residential areas between these two new ridings.

Mr. Jack Roxburgh (Norfolk): Mr. Speaker, I first want to thank you and hon. members of the house for allowing me to say a few words in this debate. They will be very few. I do not know whether it has anything to do with the portfolio of Minister of Agriculture, but two of the finest speeches this afternoon were made by the former minister of agriculture and the present Minister of Agriculture (Mr. Greene). I feel deeply that they have put forth some very sound, practical, and shall we say right down-to-earth thinking and facts. It is my earnest hope that the Boundaries Commission will give very, very serious consideration to all the suggestions put forward before they close the doors on this important matter.

Speaking for myself, I am quite pleased with the new constituency that has been formed. However, I am asking for a very minor change, but shall I say a very important change for the people of the historic constituency of Norfolk. The Boundaries Commission have named the new constituency Haldimand-Norfolk. I should like to draw to your attention, Mr. Speaker, that it so happens that the county of Haldimand is divided so that part of it is in another constituency. On the other hand, Norfolk has

not been divided and remains as it always has been over the years. In fact, it has never been divided federally.

Therefore I believe that it would only be fair to the people of the new constituency to call it Norfolk-Haldimand rather than Haldimand-Norfolk. In addition, I should like to point out that the name of the provincial riding is Haldimand-Norfolk. This riding is made up of Haldimand-Norfolk and takes in all of Haldimand but only part of Norfolk. Therefore changing the name of the federal riding to Norfolk-Haldimand would, I am sure, help keep clear in the minds of the people, and goodness knows, the press, which riding is provincial and which is federal. This is just a small matter that I wanted to raise. I am sure the Boundaries Commission will take it into consideration. This is just a little bit of practical thinking.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I should like to thank hon. members for allowing me to speak at this time. As you know, I represent the riding of Kenora-Rainy River which is the last Ontario riding and is right up against the Manitoba boundary. Northwestern Ontario is a nightmare in regard to redistribution, not necessarily because of what the commissioners have done but because of the problems the commission had to take into account in trying to make an equitable distribution.

There are some minor changes I should like to see made in my riding. I am putting them forward at this time because when the commission was holding its second series of hearings I had not provided notice of speaking, because the former member was holding the seat at that time, and I was not allowed to make my presentation.

In the southern part of my riding, in the town of Fort Frances, the line comes through the middle of the town. It seems to me that the line should come through the outskirts, which would take in an Indian reserve, the Couchiching reserve, and a few other scattered areas. It would be much more sensible if this line were moved to the other side, to Rainy Lake, which is to the east. This would save a great deal of confusion.

In addition, it might not be a bad idea to move the line about 50 to 60 miles closer to Atikokan, because there are only a few small hamlets there. I do not believe this would disrupt the population of my riding and the new riding of Thunder Bay.

• (5:50 p.m.)

The other point I want to make is that the way the lines are drawn in the northern part of my riding, the town of Dryden is eliminated from it. In order to go to Sioux Lookout, it is necessary for me to travel through Dryden and three other little towns before I can get up there. This is a bit ridiculous, to say the least.

The next point I want to make is that my riding, with the exception perhaps of the town of Atikokan, before redistribution had for its economic, cultural and social centre, the Manitoba town of Winnipeg.

Mr. Knowles: We are a city, please.

Mr. Reid: I am glad to hear that. What they are doing by the drawing of this boundary line is distorting the whole social structure of the constituency. They are taking towns like Fort Frances and Dryden and arbitrarily putting them in an area with which they really do not have that much in common. I believe that in minor, political matters, we do look to the Lakehead. I am one of those who believe that when you have a riding, particularly in a rural area, there should be some sense of community interest.

Kenora-Rainy River has been a particularly difficult riding to represent because it has no one centre, no one town, that stands pre-eminent among the others. This has created a special problem for a member. If one town in a particular area chooses not to print your press releases this means that, for election purposes, you are cut off from communicating with this area. One of the last accomplishments of the former member was to arrange that the whole area of Kenora-Rainy River would be served by a satellite television system beamed out of Winnipeg. For the first time in the history of this riding since 1924, a sense of community was beginning to develop. At least they had one thing that bound them together. The result of this redistribution has been completely to destroy quite a large territory that had been laboriously built up.

There have been many complaints against the commissioners. I think we should be fair and recognize that they had to overcome a great many difficulties in doing the job, particularly in this area of northern and northwestern Ontario. However, there have been many incomprehensible decisions, particularly the one creating the riding of Cochrane, as well as the nightmare of Thunder Bay. How these people in Thunder Bay are going to get

adequate representation, I do not know. It seems to me that the distance between Fort Frances and White River, and White River and Dryden, is in the neighbourhood of 600 or 700 miles. This is a lot of territory for one person to look after. In addition, I am, personally, picking up about 2,000 Indians to the north. This means my expenses in going to see them between elections, and the expenses during a campaign, are going to be quite out of proportion to the population that has to be served.

There have been a great many complaints about this commission. I think one of the reasons for this fact is that this is the first time redistribution has ever been accomplished on a representation by population basis. I feel that a great deal of trouble could have been avoided had this problem been turned over to a 25-member committee of the house. Then the committee, on a provincial basis, could have set the constituency boundaries on what they considered to be an equitable basis. In order to avoid any accusation of gerrymandering, the committee's report could have gone to the commissioners and they could have looked into it. There could have been only the same type of limited appeal that we have here. I think this would have been far more equitable and I think more people would have been satisfied with the end result.

Mr. Speaker: Is it the pleasure of the house that I call it six o'clock?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Bell (Carleton): Would the house leader indicate if it is the intention to proceed with a supply motion on Monday, and what the business will be thereafter?

Mr. McIlraith: Before I do, may I say that I understood that the other motions from Ontario had been completed yesterday. Is that correct?

Mr. Bell (Carleton): Yes.

Mr. Speaker: Before I recognize the Minister of Public Works, it is my understanding that the hon. member for Châteauguay-Huntingdon-Laprairie wanted to make a comment in connection with a motion he attempted to move this afternoon.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): I should like to withdraw the motion which I made this afternoon, under reserve of my right to reintroduce it next week.

Mr. McIlraith: Mr. Speaker, on Monday we propose to bring forward a supply motion, which presumably would take Monday and Tuesday. At the conclusion of that debate, we would continue with the redistribution motions from Manitoba, and then legislation, the program for which I would announce on Tuesday night.

Mr. Knowles: How many departments does the government wish to ask for at the conclusion of the supply motion?

Mr. McIlraith: As many as the opposition parties will agree to, Mr. Speaker. The rules provide for six. Perhaps I will ask the house leaders of other parties to ask their members if they would agree to a larger number than that. In any event it will be no fewer than six.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, May 2, 1966

The house met at 2.30 p.m.

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

FIFTH REPORT OF STANDING COMMITTEE

Mr. H. E. Gray (Essex West) presented the fifth report of the standing committee on finance, trade and economic affairs, in both French and English.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF ECONOMIC PLANNING FOR INDIA

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, may I call your attention and the attention of hon. members to the presence in the Speaker's gallery of the Minister of Economic Planning for the government of India, Mr. Ashoka Mehta.

• (2:40 p.m.)

COMMITTEES OF THE HOUSE

MOTIONS FOR CONCURRENCE IN REPORTS

On the order:

Mr. Cameron (High Park) (chairman of the standing committee on justice and legal affairs):

That the first report of the standing committee on justice and legal affairs, presented to the house on Tuesday, April 26, 1966, be now concurred in.

Mr. Stanbury: In the absence of the member for High Park may I ask that the motion in his name stand.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

On the order:

Mr. Hales (chairman of the standing committee on public accounts):

That the first report of the standing committee on public accounts presented to the house on Wednesday, April 27, 1966, be now concurred in.

Mr. Hales: May I ask that this motion appearing in my name be allowed to stand.

Mr. Winch: May I ask why these motions are being allowed to stand? The public accounts committee is being called into session tomorrow. Twice now we have not been able to function because of a lack of a quorum. Why, after all these days, are we being asked to stand this motion?

[*Translation*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. Gérard Pelletier (Hochelaga) moved that the fourth report of the standing committee on broadcasting, films and assistance to the arts, presented to the house on Friday, April 29, 1966, be now concurred in.

Mr. Gilles Grégoire (Lapointe): Before the committee report is concurred in, I wish to point out that this committee is being required to sit this week at the same time as the house. Since the committee's mandate is a limited one, we have no objection.

I should like to take this opportunity to point out that an irregularity took place over the weekend. While a committee of the house has been set up to look into the matters relating to arts, broadcasting and films and this committee is now considering the matter concerning the program "This Hour Has Seven Days", as well as the renewal of the contract of Messrs. Watson and LaPierre, the Prime Minister (Mr. Pearson) has appointed a mediator between the parties concerned.

Therefore, it means that the Prime Minister is appointing someone to arbitrate a dispute already before a parliamentary committee. I wonder what part this parliamentary committee can play, since the Prime Minister has appointed another person to study and analyse the matter and report thereon. Is this not a typical example of contempt for parliamentary committees? If parliamentary committees were shown due respect, this committee would have been allowed to study the problems brought before it. Somebody is now appointed in addition to this committee, in order to perform exactly the same work. Such a situation is quite unusual and indicates utter contempt for the committee on broadcasting, films and assistance to the arts.

Mr. Speaker: I allowed the hon. member to say a few words. He realizes, I am sure, that his remarks are outside the scope of the debate on the motion introduced by the hon. member for Hochelaga.

The motion now before us is to concur in the report to enable the committee to sit while the house is sitting. I doubt that a debate can be initiated ouside the subject matter of the report, and more particularly, the motion before the house.

Mr. Grégoire: We are asked to sit while the house is sitting from now until May 5. The purpose of these sittings, as I explained at the start, is the question of the program "This Hour Has Seven Days". We are asked to sit while the house is sitting and while a mediator appointed by the Prime Minister is sitting.

That is why I believe my remarks are in order at this time, without objecting to granting the committee permission to sit while the house is sitting.

I object to sit so as to discuss this question while a mediator appointed by the Prime Minister is considering the same matter.

The motion, introduced last Friday, was perfectly in order and acceptable. But since then, in view of the fact that the Prime Minister has set aside the rights of the committees and has shown contempt for the committee of the house by the appointment of a mediator to do the same work, the necessity to sit is no longer so great.

Mr. Speaker: I do not believe the hon. member should go any further. He has stated an opinion which is not sufficiently related to the question before us to enable him to go on any longer.

[*English*]

Mr. Lewis: Mr. Speaker, if you will permit me, although I do not entirely approve of the particular appointment which has been made, I think the record should show—and my friend the hon. member for Hochelaga was trying to get Your Honour's attention—that the appointment was made on the recommendation of the committee about which the hon. member is speaking.

[*Translation*]

Mr. Grégoire: The recommendation just mentioned by the hon. member for York South (Mr. Lewis) was that the two parties use the good offices of the Prime Minister at the present time. All the good offices of the Prime Minister are eliminated purely and simply and replaced by mediation.

[*English*]

Miss LaMarsh: Mr. Speaker—

Mr. Speaker: Order, please. Is the minister rising on the point of order?

Miss LaMarsh: Yes, Mr. Speaker, on this point of order which has been raised. The motion of the chairman of the broadcasting committee, the hon. member for Hochelaga, which was before the house on Friday last made reference to using the good offices of the government. My hon. friend will realize that it is the office of the Secretary of State which reports for the C.B.C., and thus that office could not become involved in such a matter.

In response to questions in the house the Prime Minister offered his good offices. He did not offer to mediate or to arbitrate personally in this regard; he suggested to the house, having been requested to do so by a resolution of the broadcasting committee of this house, that he would be prepared to offer those good offices providing it was satisfactory to the producers involved and to the corporation itself.

As a result of a purported threatened strike as of ten o'clock last evening the Prime Minister used, as he undertook to the house, his good offices to obtain an individual, one apart from the public service and who would be satisfactory to both parties concerned, to meet with them independent of the government and independent of the office of the Secretary of State in order to ascertain whether they might arrive at a settlement.

I suggest on this point of order, Mr. Speaker, that it is not inappropriate for the committee to proceed as it chooses to do in its motion now before the house, in that the resolution which was presented has been accepted and acted upon by the Prime Minister, who is thus not in any way in breach of the privileges of the house or the committee. The committee is at perfect freedom to proceed now as it chooses, while the individual who is acceptable to both parties goes ahead to try to arrive at a compromise agreement.

• (2:50 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Speaker, with reference to the motion, I feel that since the matter before the standing committee on broadcasting, films and assistance to the arts has now been entrusted to a mediator, the committee should no longer deal with the particular matter of "This Hour Has Seven Days".

That is why we do not want the committee to sit while the house is sitting and this, all the more so, because a most important supply motion is coming up today, which was not expected two or three days ago. We therefore object to committee sittings for the next two days, during the regular sittings of the house.

[*English*]

Mr. Speaker: Order, please. Unfortunately the hon. member for Hochelaga cannot speak now without the unanimous consent of the house, because this is not a substantive motion. Therefore he does not have the right of reply, nor does he have the right to close the debate on the motion. The only thing I can do now is to put the motion to the house.

Mr. Knowles: On a point of order, Mr. Speaker. In view of the fact that the hon. member for Hochelaga did not avail himself of the opportunity to speak when he moved the motion, I wonder if the house would not let him make his speech now.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Pelletier: Mr. Speaker, a brief remark to say that, unlike what was just advanced by the hon. member who spoke before me, it has always been implicit in the proceedings of the committee that it did not seek to settle any particular dispute, namely that submitted to mediation as a result of the good offices of the government, but rather to explore the much larger and much more important situation of which this particular dispute was only symptomatic.

[*English*]

Mr. Speaker: Is the house ready for the question? Is it the wish of the house to adopt the said motion?

Some hon. Members: Carried.

Some hon. Members: No.

Mr. Speaker: Order, please. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

Division

• (3:00 p.m.)

The house divided on the motion (Mr. Pelletier) which was agreed to on the following division:

YEAS

Messrs:

Andras
Badanai
Ballard
Barnett
Basford
Batten
Béchard
Bell (Saint John-Albert)
Benson
Berger
Boulanger
Bower
Brewin
Brown
Byrne
Cadieux (Terrebonne)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Cantin
Carter
Cashin
Chatterton
Chrétien
Churchill
Clancy
Clermont
Coates
Code
Crouse
Danforth
Deachman
Diefenbaker
Dinsdale
Drury
Dubé
Duquet
Émard
Éthier
Fairweather
Favreau
Forbes
Fulton
Gilbert
Grafftey
Gray
Greene
Guay
Gundlock
Haidasz
Hales
Hamilton
Hees
Hellyer
Herridge
Horner (The Battlefords)
Howard
Howe (Hamilton South)
Hymmen
Isabelle
Johnston
Jorgenson
Kindt
Knowles
Korchinski
LaMarsh (Miss)
Langlois (Chicoutimi)
Laniel
LeBlanc (Rimouski)
Leboe
Lefebvre
Legault
Lessard
Lewis
Lind
Loney
MacEachen
MacInnis (Mrs.) (Vancouver-Kingsway)
Mackasey
MacLean (Queens)
MacRae
McCleave
McIlraith
McKinley
McLelland
McNulty
McWilliam
Madill
Marchand
Martin (Essex East)
Martin (Timmins)
Mather
Matte
Mongrain
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Munro
Nicholson
Nielsen
Nixon
Noble
Nowlan
O'Keefe
Orange
Orlikow
Pascoe
Pelletier
Pépin
Pickersgill
Pilon
Rapp
Régimbal
Ricard
Richard
Rinfret
Robichaud
Rock
Roxburgh
Schreyer
Scott (Victoria (Ont.))
Sharp
Southam
Stafford
Stanbury
Starr
Stefanson
Stewart
Tardif
Teillet
Thomas (Maisonneuve-Rosemont)
Thompson

Tolmie	Webb
Tucker	Whelan
Turner	Winch
Wadds (Mrs.)	Winkler
Walker	Yanakis—140.

NAYS

Messrs:

Caouette	Godin
Caron	Grégoire
Cowan	Laprise
Dionne	Latulippe
Gauthier	Simard—10.

Mr. Speaker: I declare the motion carried.

[*Translation*]

Mr. Caouette: On a point of order, Mr. Speaker. I have no right to speak about the vote, but I should like to point out that only 150 members out of 265 have voted, which means there are 115 members now absent from the house.

• (3:10 p.m.)

[*English*]

COMPANY OF YOUNG CANADIANS

PROVISION FOR ESTABLISHMENT

Hon. Paul Martin (for the Prime Minister) moved for leave to introduce Bill No. C-174, to provide for the establishment of The Company of Young Canadians.

Motion agreed to and bill read the first time.

MARITIME TRANSPORTATION UNIONS TRUSTEES ACT

PROVISION FOR REPEAL

Mr. Speaker: Mr. Howard, seconded by Mr. Herridge—

Mr. Herridge: Pardon me, Mr. Speaker. Don't put me down on that bill.

Mr. Speaker: Mr. Howard, seconded by Mr. Knowles, moves for leave to introduce Bill No. C-175, to repeal the Maritime Transportation Unions Trustees Act. Is it the pleasure of the house that the hon. member shall have leave to introduce the said bill?

Motion agreed to and bill read the first time.

GOVERNMENT ORGANIZATION

PROVISION FOR ESTABLISHMENT OF NEW DEPARTMENTS

Hon. Paul Martin (for the Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure respecting the organization of the government of Canada to establish a Department of the Solicitor General, Department of Manpower, Department of the Registrar General, Department of Indian Affairs and Northern Development, and Department of Energy, Mines and Resources; to establish the office of President of the Treasury Board; to provide for the respective powers, duties and functions of the ministers thereof; to establish the office of President of the Treasury Board; to provide for the appointment of deputy heads of the new departments and for the appointment in the manner authorized by law of other offices and employees; to authorize the transfer of appropriations to the new departments and other departments to which the functions for which such appropriations were made are assigned; to amend the Financial Administration Act and the Salaries Act and generally to make such other consequential or incidental statutory amendments as are necessary to implement the changes to be effected by the said measure.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CONFERENCE ON HIGHWAY SAFETY

Question No. 228—**Mr. Noble:**

1. Has the government received representations from any provincial government or association or other organized body asking for the calling of a federal-provincial conference for the purpose of working out a national program (a) to ensure that all practical safety devices be required equipment in motor vehicles (b) to ensure that more and better driver education be made available (c) to require more rigid traffic law observance or (d) any other action which would help in reducing the accidents and loss of life on our highways?

2. If so, has the government taken or does it intend to take any action on such representation?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Prime Minister's office as follows:

1. Yes. A letter dated August 12, 1965, was received from the premier of Manitoba who urged the calling by the federal government jointly with the provinces of a national conference on highway safety.

2. The matter is receiving appropriate consideration by the government.

C.P.R. BOX CAR MOVEMENTS

Question No. 651—**Mr. Douglas:**

1. How many box cars on the Lethbridge division of the Canadian Pacific Railway had been loaded with grain and waybills prepared but had not been moved as of November 26, 1965?

2. How many box cars on the Lethbridge division of the Canadian Pacific Railway had been loaded with grain and waybills prepared for each of the following periods: November 26 to December 3; December 3 to December 10; December 10 to

December 17; December 17 to December 24; December 24 to December 31; December 31 to January 7; January 7 to January 14; January 14 to January 21; and January 21 to January 28?

3. How many box cars of grain had been moved off the Lethbridge division of the Canadian Pacific Railway between the following dates: November 26 to December 3; December 3 to December 10; December 10 to December 17; December 17 to December 24; December 24 to December 31; December 31 to January 7; January 7 to January 14; January 14 to January 21; and January 21 to January 28?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Agriculture, Finance, Trade and Commerce and Transport as follows:

1, 2 and 3. Information not available.

PROPOSED CORRIDOR ROAD THROUGH MAINE

Question No. 734—**Mr. Macquarrie:**

1. What organizations in the Atlantic provinces have made representation to the government in connection with the proposed international corridor road across Maine?

2. Have any departments or officials of the dominion government participated in discussions on this project?

3. Is the Atlantic Development Board conducting a study of the feasibility of this project or in any way giving assistance to it?

Hon. J. W. Pickersgill (Minister of Transport): I am informed by the Atlantic Development Board as follows:

1. La Chambre de Commerce du Haut-Madawaska, the council of the municipality of Madawaska, and the Annapolis Royal Board of Trade.

2. No.

3. No.

NAME CHANGES, HUDSON BAY COMMUNITIES

Question No. 1,185—**Mr. McCleave:**

1. Have any communities on Hudson strait and on the east coast of Hudson bay undergone changes of name since 1962 and, if so (a) what are the new names (b) were the people in such communities consulted as to the changes in name (c) by whom were they consulted (d) who requested the name changes?

2. Are name changes established by the Canadian permanent committee on geographical names?

3. Does such committee include non-federal employees appointed by the provinces and, if so, who has been the representative of the province of Quebec on the committee with regard to communities on Hudson strait and on the east coast of Hudson bay since 1962?

4. Is it the practice to require that adequate information on origin or usage of new names be provided to the said committee and, if so (a) has this practice been carried out in regard to communities on Hudson strait and on the east coast of Hudson bay since 1962 (b) who supplied such information to the said committee?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): 1. Yes.

(a) New name	Previous name
Bellin (Payne Bay)	Payne Bay
Maricourt (Wakeham)	Wakeham Bay
Port-Nouveau-Quebec	George River
Saglouc	Sugluk
Ivugivik	Notre-Dame-d'Ivugivic
Koartac	Notre-Dame-de-Koartac
Inoucdjouac (Port Harrison)	Port Harrison
East-Main	Eastmain
Nouveau-Comptoir	Paint Hills
Poste-de-la-Baleine	Great Whale River
Fort Rupert	Rupert House

(b) Not by the federal government; (c) see (b); (d) in 1963 and 1964, the Quebec geographic board investigated the toponymy of settlements in New Quebec. Recommendations concerning certain names were received by Quebec from an independent researcher. In January, 1965, the government was informed by the government of Quebec of certain name changes approved by the province. As far as the Canadian permanent committee on geographical names is concerned, these changes originated with the Quebec geographic board.

2. Name changes are endorsed and recorded by the permanent committee on the recommendation of the provincial or territorial representative and become official when approved by the Minister of Mines and Technical Surveys or the appropriate provincial minister, according to their respective jurisdiction. Name changes are published in the semi-annual supplements to the *Gazetteer of Canada*. The changes listed in 1 (a) above appeared in supplement No. 5, January to June, 1965.

3. Yes. The representative for the province of Quebec is the secretary of the Quebec geographic board, Mr. Jean Poirier.

4. Yes. (a) The permanent committee is aware of the origin of the name changes listed in 1 (a); (b) information obtained from correspondence with Quebec and from published documents.

Questions

GROSSE ÎLE QUARANTINE STATION

Question No. 1,207—**Mr. Berger:**

1. What was the total cost of the quarantine station for animals at Grosse Île, Quebec, including architects' and engineers' fees, materials and labour?

2. Were Charolais cattle kept this winter at Grosse Île for experiment and, if so (a) how many head (b) is this the maximum number possible and provided for (c) what is the total value of the said Charolais cattle (d) what was the cost of the quarantine operation with regard to transportation, feeding, salaries, maintenance, etc. (e) how many persons were directly or indirectly employed for this purpose and how were they hired (f) how will the said Charolais cattle be distributed among the breeders who have applied for them, according to province, when the quarantine period is over?

3. Is an increase in activity expected at Grosse Île during the 1966-67 season?

4. Is it the intention to offer again this year, the summer courses provided for American and Canadian veterinarians during the last few years?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Public Works and Agriculture as follows:

1. Total cost to date including architect's and engineer's fees, material and labour, $565,804.90.

2. Charolais cattle were kept at Grosse Île during the past winter as part of a quarantine procedure. These cattle were the property of the importers who selected and purchased them in the country of origin. (a) 113; (b) Yes, of the age and size in this importation; (c) Not known as they are the property of the importers; (d) Importers bore the cost of transportation. The total cost of feeding, salaries and maintenance is not yet known and will be borne by the importers; (e) four animal attendants were provided by the importers. In addition, a departmental veterinarian was in charge of the quarantine procedures; (f) By provinces, the cattle will be released, at the termination of the quarantine, to the holders of import permits as follows: British Columbia, 4; Alberta, 50; Saskatchewan, 28; Manitoba, 6; Ontario, 14; Quebec, 11.

3. No.

4. This has not yet been decided.

*PROSECUTION OF PENCIL MANUFACTURERS

Question No. 1,228—**Mr. Orlikow:**

Did the government charge and prosecute a number of companies that make pencils and, if so (a) what were the names of the companies (b) have the trials of these companies taken place (c) were the companies found guilty and, if so, what were the penalties imposed by the court (d) what were the costs to the government of investigating and transcribing the above cases, exclusive of the salaries of permanent government employees, but including fees paid to lawyers, court reporters, etc., and travelling expenses for officers of the Department of Justice, cost of transcripts, etc.?

Hon. Guy Favreau (President of the Privy Council): Mr. Speaker, the answer to the first question is yes. The answers to the subquestions are as follows: (a) Eagle Pencil Company of Canada Limited; Venus Pencil Company Limited; Dixon Pencil Company Limited; Eberhard Faber (Canada) Limited. (b) Yes; (c) Yes. A total fine of $16,000 was imposed, apportioned as follows: Eagle Pencil Company of Canada Limited, $8,000; Venus Pencil Company Limited, $4,000; Dixon Pencil Company Limited, $2,000; Eberhard Faber (Canada) Limited, $2,000; (d) $14,959.66. A prohibition order was granted against each of the above companies.

ARDA PROJECTS, CUMBERLAND COUNTY, N.S.

Question No. 1,238—**Mr. Coates:**

1. Have any projects been approved under ARDA in Cumberland county since April 8, 1963, and, if so (a) what are they (b) what was the objective of each (c) what was the cost of each?

2. Are any projects before the government under ARDA pending approval for Cumberland county and, if so, how many?

3. Were all of the above projects proposed by the provincial government and, if not, what projects, if any, were initiated by the federal government?

Hon. Maurice Sauvé (Minister of Forestry): 1. See following list. (a) Answered by 1. (b) Answered by 1. (c) Answered by 1.

2. No.

3. The above projects were initiated by the province and approved by Canada as a joint federal-provincial project.

Projects approved under ARDA in the Cumberland county since April 8, 1963

Project No.	Approved	Description	Category	General area of activity	Total Cost	Federal Contribution
					$	$
3056	July 1964	Rehabilitation of the Parrsboro Dam.....	SW	Cumberland County.....	37,500	18,750
3067	March 1965	To study the economic feasibility of livestock production related to land use	FR	Northern Nova Scotia.....	18,000	18,000
3071	March 1965	To research a number of production problems encountered by the Nova Scotia blueberry industry	FR	Guysborough and Cumberland Counties	20,000	20,000
22014	June 1965	Development of campgrounds and picnic areas in designated low income rural areas	Rural Devel. Areas	Selected Localities.....	131,000	65,500
22016	September 1965	Development of Crown Land for Forest Demonstration Purposes	Rural Devel. Areas	Cumberland County	153,000	76,500

Questions

SUBSIDIES FOR FARM IMPLEMENTS

Question No. 1,274—**Mr. Latulippe:**

Does the government intend to provide subsidies for farm implements in order to help farmers to mechanize their farms?

Hon. J. J. Greene (Minister of Agriculture): Loans may now be secured by farmers for this purpose at favourable interest rates and in Quebec at rates which are subsidized by the provincial government.

CENTENNIAL PROJECTS, GATINEAU CONSTITUENCY

Question No. 1,281—**Mr. Isabelle:**

1. Have any projects for the centennial of confederation been submitted from municipalities in the constituency of Gatineau and, if so (a) what are they (b) how many have been accepted (c) where are they located (d) what is the estimated cost of each?

2. Will the centennial caravan visit the constituency of Gatineau by railway or motor trailer?

[*Translation*]

Hon. Judy V. LaMarsh (Secretary of State): 1. The following project for the centennial of confederation has been submitted to the Centennial Commission by a municipality in the constituency of Gatineau: (a) Project: Cultural Centre; (b) One has been presented and it has been accepted; (c) Location: Maniwaki; (d) Estimated cost: $100,000.

2. The confederation motor caravan will visit Wakefield on October 15 and Maniwaki for two days on October 17 and 18, 1967.

[*English*]

INDIAN AFFAIRS BRANCH TEACHERS

Question No. 1,293—**Mr. Orlikow:**

1. How many teachers are employed by the Indian affairs branch of the Department of Northern Affairs and National Resources?

2. What are the minimum academic qualifications required for teachers hired by the Indian affairs branch of the Department of Northern Affairs and National Resources?

3. How many teachers working for the Indian affairs branch of the Department of Northern Affairs and National Resources have more than the minimum academic qualifications required and how many have (a) a bachelor of arts degree (b) a bachelor of science degree (c) a bachelor of education degree?

4. What is the salary range for teachers working for the Indian affairs branch of the Department of Northern Affairs and National Resources, minimum, maximum, yearly increments, etc?

5. Of the teachers working for the Indian affairs branch of the Department of Northern Affairs and National Resources, how many have worked more than two years; four years; six years; eight years; ten years?

6. Is the Indian affairs branch of the Department of Northern Affairs and National Resources giving consideration to the payment of a bonus or an allowance similar to the $1,000 bonus now being paid by the Ontario Department of Education to teachers in isolated northern schools?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. During the 1965-66 academic year there are 1,489 teachers employed.

2. The minimum desired qualifications are senior matriculation and one year of professional teacher education. However, the national shortage of professionally qualified teachers necessitates employment of a number of applicants with less than the desired qualifications.

3. Five hundred and seventy four teachers have more than senior matriculation and one year of teacher education. A total of 266 hold one or more university degrees at bachelor, master, and doctorate levels. Of that number (a) 115 have a bachelor of arts degree, (b) 23 have a bachelor of science degree, (c) 93 have a bachelor of education or pedagogy degree, and the remaining 35 have degrees in other fields or postgraduate degrees in arts, science, education, music and philosophy.

4. There is a salary schedule in effect for teachers and the following is a summary of the minimum and maximum basic salary ranges and yearly increments for the various levels of qualifications:

Level	Qualifications	Minimum salary	Maximum salary	Number of increments
Teacher aide or unqualified teacher	No professional teacher training	$2700	$3900	6
Sub-level	Jr. matriculation and one year of teacher education	$3200	$4400	6

Questions

Level	Qualifications	Minimum salary	Maximum salary	Number of increments
Level 1	Sr. matriculation and one year of teacher education	$3700	$5700	10
Level 2	Sr. matriculation and two years of teacher education	$4000	$6250	10
Level 3	Sr. matriculation and three years of teacher education	$4400	$6875	11
Level 4	Sr. matriculation and four years of teacher education	$5400	$8650	13
Level 5	Sr. matriculation and five years of teacher education	$5800	$9300	14
Level 6	Sr. matriculation and six years of teacher education	$6200	$9700	14

5. 152 have worked more than two years; 157 have worked more than four years; 142 have worked more than six years; 141 have worked more than eight years, and 631 have worked more than ten years.

6. In accordance with the isolated posts regulations, isolation allowances are paid to 462 teachers employed at 154 locations which have been designated as isolated posts.

TORONTO—SALES TAX EXEMPTION ON SENIOR CITIZENS HOME

Question No. 1,304—**Mr. Scott (Danforth):**

Has the Department of National Revenue received a request dated March 28, 1966, from Beaches Gardens Limited, Toronto 8, Ontario, requesting exemption from the federal sales tax for the construction costs of a limited-dividend senior citizens home in the east end of Toronto and, if so (a) has the government made any decision or made any responses to this request (b) what were these responses?

Hon. E. J. Benson (Minister of National Revenue): Yes. (a) Yes, a reply was made under date of April 20, 1966; (b) Section 47 of the Excise Tax Act provides exemption from sales tax by way of refund on purchases by public institutions which have been certified by the Minister of National Health and Welfare. In the reply given to Beaches Gardens Limited under date of April 20th, 1966, attention was drawn to this provision of the law and in particular to the necessity of their establishing qualification as a bona fide public institution as a prerequisite to claiming refund of sales tax.

ADVISORY COMMITTEE ON PUBLIC RECORDS

Question No. 1,312—**Mr. Bell (Carleton):**

1. Has an advisory committee on public records been appointed?

2. If so (a) when (b) by what authority (c) who are its members (d) by whom was each member designated (e) what are its powers and instructions (f) does it replace any previous committee or body and, if so wherein does it differ from the predecessor committee or body?

3. Has any plan been formulated for the preparation of a complete schedule of departmental records?

4. If so, what is the nature of the plan and as of what date will it be fully operative?

5. Has any rule or policy been established as to the date after their creation at which departmental records will normally be open for inspection?

6. If so, what is the rule or policy and to what exceptions, if any, is it subject?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the dominion archivist and national librarian as follows:

1. No.

2. Answered in 1.

3. General records disposal schedules, covering types of records common to many departments and agencies of the government were prepared by the records management branch of the Public Archives and approved by the treasury board in 1963. Most departments are now preparing disposal schedules covering records relating to their own special and individual activities. Many of these have already been approved and are being carried into effect.

Questions

4. Answered in no. 3.

5. No.

6. Answered in no. 5.

CANADIAN ART AT SAO PAULO BIENNIAL

Question No. 1,313—**Mr. Bell (Carleton):**

1. Did the government arrange Canadian representation at the VIIIth biennial of Sao Paulo by an exhibition of Canadian art?

2. If so, by whom was the exhibition chosen?

3. What Canadian artists were represented?

4. What was the total cost of the representation and exhibition at this biennial?

Hon. Judy V. LaMarsh (Secretary of State):

1. Yes.

2. The National Gallery of Canada.

3. Jacques Hurtubise, Roy Kiyooka, Claude Tousignant and Gerald Trottier.

4. $5,489.24.

STUDY OF SECURITIES TRANSACTION REGULATION

Question No. 1,314—**Mr. Bell (Carleton):**

1. Has the government undertaken recently study of the regulation of securities transactions and financial disclosures by corporations?

2. If so, by whom is the study been carried on?

3. Has any counsel been retained to assist in the study?

4. If so, who, and upon what terms and conditions?

5. What is the purpose or objective of the study?

Right Hon. L. B. Pearson (Prime Minister):

1. Yes, a number of studies are now under way.

2. The studies are being carried on by a group of officials from the Department of Finance, the Bank of Canada, the combines branch, the corporations branch and the R.C.M.P. The studies are being co-ordinated by the Privy Council office.

3. Yes, Marc Lalonde, a Montreal lawyer.

4. Mr. Lalonde has been retained as a consultant, for a period of six months, by the Privy Council office to advise and assist on the studies underway with respect to financial disclosure and securities regulations, and to preside over the group of officials referred to in paragraph 2. Mr. Lalonde's terms of reference also provide that he would undertake such other matters as may be assigned to him by the Prime Minister or the clerk of the Privy Council.

5. The studies are in preparation for a federal-provincial meeting of officials, to be held late in June, which will discuss problems in financial disclosure and securities regulation.

FISHERIES CONTRACT FOR POLES, P.E.I.-N.S.

Question No. 1,327—**Mr. Coates:**

Has the Department of Fisheries or any agency of the government entered into a contract with anyone for the purchase of poles for use by the department in designating the imaginary line between Crapaud, P.E.I., and Bergman's Point, N.S., for lobster fishing purposes and, if so, what are the names of the individuals in question and what is the amount of the contract?

Hon. H. J. Robichaud (Minister of Fisheries): The Department of Fisheries purchased 20 poles from Richard Cameron of Port Howe, N.S., at a cost of $30.

MANPOWER OFFICE IN MARITIMES

Question No. 1,333—**Mr. Forrestall:**

1. Has the government decided on the location of a manpower office to serve the maritimes?

2. If so, what site was chosen?

3. If not, will the decision be made and, if so, when?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration):

1. Yes.

2. The department will have at Halifax, N.S. a regional headquarters at which will be located the regional director of immigration and the director of the manpower service for the Atlantic region, with appropriate specialist staffs. The manpower service will also have a regional office at Moncton, N.B., in charge of the director of operations for the region, which will be responsible for the supervision of area offices throughout the region.

3. N/A.

BIRTH RATE

Question No. 1,334—**Mr. Smith:**

By provinces, what has been the birth rate in Canada for each of the last six years ending December 31, 1965, expressed in absolute terms and in terms of percentage per thousand population?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce):

Live Births, Canada and Provinces, 1959-1964*

Year	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	N.W.T.
						Number							
1959	479,275	14,826	2,720	19,038	16,486	142,383	157,124	22,801	24,319	38,080	39,971	537	990
1960	478,551	15,173	2,734	19,126	16,341	137,850	159,245	23,237	24,088	39,009	40,116	538	1,094
1961	475,700	15,591	2,838	19,382	16,590	137,174	157,663	23,288	23,994	38,914	38,591	558	1,117
1962	469,693	15,064	2,805	19,432	16,467	135,000	156,053	22,918	23,341	38,804	38,128	547	1,134
1963	465,767	15,443	2,949	18,976	15,771	133,640	155,089	22,751	23,543	38,467	37,478	499	1,161
1964	452,915	14,680	2,727	18,314	15,338	130,845	152,729	21,754	22,682	36,169	35,897	514	1,266
						Rate per 1,000 population, 1959-1964*							
1959	27.4	33.6	26.9	26.5	28.3	28.3	26.3	25.6	26.8	30.5	25.5	41.3	47.1
1960	26.8	33.9	26.5	26.3	27.7	26.8	26.1	25.6	26.3	30.2	25.0	38.4	49.7
1961	26.1	34.1	27.1	26.3	27.7	26.1	25.3	25.3	25.9	29.2	23.7	38.1	48.6
1962	25.3	32.1	26.5	26.0	27.1	25.2	24.6	24.5	25.1	28.3	23.0	36.5	47.3
1963	24.6	32.1	27.6	25.1	25.7	24.4	24.1	23.9	25.2	27.4	22.1	33.3	48.4
1964	23.5	29.9	25.5	24.1	24.9	23.5	23.2	22.7	24.1	25.3	20.7	32.1	50.6

* 1965 data are not yet available.

Questions

UNIDENTIFIED FLYING OBJECTS—INVESTIGATION BY MINES DEPARTMENT

Question No. 1,345—**Mr. Howe (Hamilton South):**

1. Has the Department of Mines and Technical Surveys ever undertaken an investigation of reports of unidentified flying objects and, if so, are such investigations continuing at this time?

2. Have results of such investigations been made public and, if not, is consideration being given to making them public in future?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): 1. The geological survey of Canada and the observatories branch, both of the Department of Mines and Technical Surveys, investigate reports of sightings commonly called unidentified flying objects. These reports refer to a wide variety of phenomena and many of these are reports of spectacular meteors entering the atmosphere, for example, the one at 8:14 p.m. EDT on April 25, 1966. These may lead to the recovery of meteorites which are of great scientific interest to scientists of the department.

2. There is no attempt to restrict the results of such investigations and officers of the department frequently comment to the various news media on this subject.

LANGUAGE OF EMIGRANTS TO U.S.

Question No. 1,348—**Mr. Harley:**

In the past five years, what percentage of Canadian emigrants to the United States have English as their mother tongue and what percentage have French as their mother tongue?

Hon. Robert Winters (Minister of Trade and Commerce): This information is not available.

UNEMPLOYMENT INSURANCE FUND

Question No. 1,350—**Mr. Ballard:**

1. What was the total amount of contributions paid into the unemployment insurance commission fund by both employees and employers for the calendar years 1964 and 1965?

2. What was the cost of administering the unemployment insurance commission (including the national employment service) for the year ended March 31, 1965?

3. What was the number of employees of the U.I.C., both permanent and casual, for the year ended March 31, 1965?

Hon. J. R. Nicholson (Minister of Labour): I am informed by the U.I.C. as follows:

1. 1964, $304,895,000.53; 1965, $324,083,850.94.

2. $54,253,989.57.

3. 10,340.

[Mr. Cantin.]

• (3:20 p.m.)

CANADIAN BROADCASTING CORPORATION

REPORTED USE OF DRUG IN SCENE FOR "THIS HOUR HAS SEVEN DAYS"

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is directed to the Secretary of State, and is based on a world copyright story in the *Telegram* today reporting that a 17 year old girl had alleged to the *Telegram* that while under the influence of a pill she was photographed in bed with two youths by the roving camera of a crew of the Canadian Broadcasting Corporation's "This Hour Has Seven Days" program, the incident apparently being laid on for the purpose of simulating a teen age marijuana party. Under whose authority was such a filming set up in the C.B.C.? Is the C.B.C. investigating the circumstances of this case, and is an investigation being made in respect of the extent to which the C.B.C. is permitted to go in its so-called artistic licence?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I learned of this matter just before coming into the house. I am informed that the C.B.C. is looking into the matter. I have a memorandum from the executive producer indicating, in his words, that the story is grossly inaccurate and in its essentials untrue. I would hope it is only a smear story and that the particulars are not accurate. However, I ask hon. members to give me a day or so to ascertain the facts, at which time I shall be happy to give them to the house.

Mr. Nielsen: Mr. Speaker, I have a supplementary question. When the minister is making her inquiry will she also obtain for the members of the house information as to whether this was the real reason for the firing of the hosts of the "This Hour Has Seven Days" program? Would she also inform us whether the Department of Justice is investigating the circumstances, and whether any charges have been laid or whether it is the intention that any will be laid?

Miss LaMarsh: Mr. Speaker, I have not heard any reference to this matter before from any source. Therefore I cannot suggest to hon. members, nor has there been such a suggestion in the C.B.C., that any reference to the set of circumstances as alleged had anything to do with the announcement made by the C.B.C. management about two weeks ago.

In answer to my hon. friend's question in respect of the Department of Justice being consulted, I may say this is a speculative question which would depend upon the result of my investigation into the alleged circumstances.

Mr. Nielsen: Mr. Speaker, I have a further supplementary question. Since the allegations contained in the article may have a bearing on narcotics, does the minister not think it would be a wise course to consult the officials of the Department of Justice immediately?

Mr. Speaker: Order, please. The hon. member's further supplementary question appears to be argumentative.

Mr. Nielsen: Mr. Speaker, may I rephrase the question. Would the minister inform the house whether the Department of Justice or the R.C.M.P. have been asked to investigate the possible use of narcotics in this matter?

Mr. Speaker: Order, please. That question seems to be hypothetical. This is the reply that was given by the hon. minister a moment ago, and I am inclined to agree with the attitude she has taken with regard to the third part of the question raised by the hon. member, that the course of action he is suggesting now would depend on the answers which would be obtained to questions 1 and 2.

Mr. Nielsen: Perhaps my question was not clear to Your Honour. What I am asking the minister is—

Some hon. Members: Order.

Mr. Nielsen: —whether the R.C.M.P. or the Department of Justice have been requested to investigate the possible use of narcotics in this case. My question is seeking information.

Mr. Speaker: I do not think the Chair can accept that question.

APPOINTMENT OF MEDIATOR IN DISPUTE BETWEEN MANAGEMENT AND PRODUCERS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I wish to address a question to the Secretary of State, in the absence of the Prime Minister, arising out of the appointment of the publisher of the Vancouver *Sun* as mediator in the dispute between C.B.C. management and "Seven Days". Would the hon. lady inform the house whether before Mr. Keate was appointed account was taken of the fact that the Vancouver *Sun* supported the C.B.C. management editorially in the dispute; and if so, what assurance was received that Mr. Keate is in a position to deal with the dispute in an impartial and objective way?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I do not know whether acccount was taken of the editorial position taken by the Vancouver *Sun*, but I happen to know that Mr. Keate was out of the country for the past two weeks and had no part in any editorial position taken in this regard.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the hon. lady a question in connection with this matter. In the appointment of the mediator by the Prime Minister was it made clear, with regard to the statement of the president of the C.B.C. that there could be no reinstatement for the two promoters—if that is the proper expression for Mr. Watson and Mr. LaPierre—whether the mediation was to be on the basis of their removal regardless of any other condition?

Miss LaMarsh: I have not seen reduced to writing the terms which were agreed upon between the producers and the C.B.C., although I had them read to me. But it is my impression that the terms under which Mr. Keate is empowered to discuss this question with both sides are broader than that immediate issue.

Mr. Diefenbaker: That is not an answer to my question. I am trying to find out whether it was made perfectly clear that the adamant attitude taken by the president of the C.B.C. would be alleviated to the extent that a determination by Mr. Keate would include the question whether or not these two people should be removed as promoters or producers of "This Hour Has Seven Days".

Miss LaMarsh: Mr. Speaker, if I understand the right hon. gentleman, he is asking whether Mr. Keate might consider the reinstatement of these people, whether this is part of his purview. It is my understanding that Mr. Keate's responsibility is wide enough to include that question should he actually so decide.

Mr. Lewis: I have a supplementary question, Mr. Speaker. I should like to ask the hon. lady whether Mr. Keate was requested by the government that whatever else he may consider, he will go into the question of the

justification of the removal of the two gentlemen mentioned as hosts of the program "Seven Days".

Mr. Diefenbaker: I used the wrong expression when I said "promoters".

Miss LaMarsh: It is my understanding that in the drawing up of the phraseology of the instructions it was left sufficiently fluid that Mr. Keate would be able to look into all the circumstances of the controversy that obtains at the present time in the narrow sense of the program in question, and in the wider sense of the lower part of the iceberg.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, this is a very important question, and I hope the hon. lady can assure us that Mr. Keate is not being inhibited in his investigation by any ex cathedra statements by the president of the Canadian Broadcasting Corporation.

Miss LaMarsh: He is one of the most uninhibited people I know.

[*Later:*]

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question which I wanted to ask the Secretary of State. Having in mind the current C.B.C. troubles, I wanted to ask the hon. lady if she will do what she can to expedite the tabling of the government white paper on broadcasting, so that we do not become too involved in patching up something which may be facing a basic change.

Miss LaMarsh: Yes, Mr. Speaker.

[*Translation*]

HOUSING

HULL, QUE.—REQUEST FOR CHANGE IN C.M.H.C. POLICY

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Finance.

In view of the most precarious position in which the credit restrictions imposed by the Central Mortgage and Housing Corporation leave the residential builders of the Hull area, is the government or the Minister of Finance contemplating a change in this policy which is harmful to the development of the Hull area?

Mr. Speaker: Order, please. The question the hon. member is asking is of a general nature. I do not believe it is acceptable.

[Mr. Lewis.]

Mr. Caouette: I am sorry, Mr. Speaker, but my question pertains to a specific area, namely the Hull area. Has the minister received complaints from the builders association on the credit restriction policy laid down by the Central Mortgage and Housing Corporation?

Mr. Speaker: The hon. member's question is, on the whole, the same as was asked before and I do not think he is adding anything to the question to which reply was made by one of the ministers.

Mr. Caouette: On a point or order. I shall change the nature of my question.

I ask the minister whether he is currently considering the possibility of giving the municipalities of the Hull area and other areas the same credit facilities as those the government is getting ready to grant to countries outside Canada by lending them money without interest.

[*English*]

REQUEST FOR STATEMENT ON SHORTAGE OF MORTGAGE MONEY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, all of us know that the number of telegrams we are receiving in connection with C.M.H.C. lending has been increasing. Indeed, one telegram after another speaks of the shambles in connection with house building, and this delay has added to it. Is the minister now in a position to give the answer which the Prime Minister said would be given, as I recall, last Friday? That was the original statement. What is the position the government intends to take in this matter?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, reference to *Hansard* will show that when this matter was last raised in the house the Prime Minister stated that the government's position would be made known tomorrow, Tuesday. It will be made known on motions tomorrow.

EXTERNAL AFFAIRS

CONSULTATIONS RESPECTING U.S. "FOOD FOR FREEDOM" CAMPAIGN

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Minister of Agriculture and refers to a statement made by the President of the United

States on Friday when he brought down his new "Food for Freedom" campaign.

Mr. Starr: Order.

Mr. Thompson: At that time the President said this was a program of American farmers combined with the efforts of other foreign farmers. I wonder if the Minister of Agriculture could tell us whether there has been any consultation with his department regarding this program or whether any commitments have been made to it by the Canadian government.

Mr. Speaker: Order, please. The way this question is phrased it seems to be so general in nature that it does not appear to be urgent enough to justify either a question or an answer at this time.

Mr. Thompson: Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Thompson: Mr. Speaker, I have heard your decision with respect to the question, but this is a matter of the head of state of another country speaking in regard to what Canada is going to do in respect of this program.

Mr. Speaker: I may be wrong in this regard but as the hon. member knows he has an opportunity to discuss the matter on the adjournment debate if he does not agree with my decision.

TRANSPORT

INQUIRY AS TO PROPOSED CO-ORDINATION AUTHORITY

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Minister of Transport. Could the minister advise the house when he expects to introduce legislation dealing with transportation matters and based on the ideas expressed in the speech he made in Winnipeg last Wednesday?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I think I would not be candid with the hon. member or the house if I suggested it was very likely that the legislation could be introduced before the end of June. There are the deliberations of the committee on transportation at the present time and certain other developments going on which I believe the government should prudently take into account before introducing legislation.

Inquiries of the Ministry

As I said in Winnipeg, I would welcome the views of anyone, and particularly of a former minister of transport, on some of the questions which I raised in that speech.

NATIONAL DEFENCE

McGILL UNIVERSITY RESEARCH PROJECT

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Defence Production. I should like to ask him whether the government is now in a position to announce to the house whether it will continue its assistance to the high altitude research project carried on by McGill University at Highwater, in the Barbados.

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

OTTAWA—REPORTED REFUSAL OF PERMISSION TO USE WHITE ENSIGN

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of National Defence. I should like to ask the minister whether he refused permission to the Ottawa-Hull Naval Association to use the naval white ensign in yesterday's commemoration service.

Hon. Paul Hellyer (Minister of National Defence): I did not.

Mr. Speaker: Order, please. I did not hear the reply made by the minister, but I assume what he said prevents my saying that the question is out of order.

TELEVISION

CLARESHOLM, ALTA.—APPLICATION FOR STATION

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I should like to direct a question to the Minister of Transport. CFCN Television Limited of Calgary, Alta. has asked the Department of Transport for authority to establish a television broadcasting station at Claresholm, Alberta, and the authorization is held up by the Board of Broadcast Governors pending clarification by the Department of Transport of public policy for the extension of alternative television service.

My question is, can the minister indicate when we can expect this policy decision which is under study by his department?

Mr. Speaker: Order, please. I think this question might well be placed on the order paper.

Mr. Kindt: Mr. Speaker, may I phrase the question in another way?

Mr. Speaker: Well I hope the hon. member rephrases the second part of the question in a different way, and not the first part.

Mr. Kindt: Mr. Speaker, would the minister appreciate it if I were kind and gave him one more chance before ringing it up for the late show, in view of the fact that he is going to a dinner tonight and he might have to appear here in tails and white tie?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, can I answer now? My answer is that this is a matter of government policy which will be announced in due course, and I hope soon.

ADMINISTRATION OF JUSTICE

PROPOSED REMOVAL OF FEMALE PRISONERS FROM KINGSTON PENITENTIARY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, in the absence of the Solicitor General may I direct a question of most urgent importance to the Acting Solicitor General. In view of the official opening on Friday of this week of the Matsqui institution for narcotic addicts sentenced to penitentiary terms, and the expressed desire conveyed to the Solicitor General of all but one of the addicts in the women's prison at Kingston not to be transferred to Matsqui institution, can the Acting Solicitor General now fulfil the promise given to me by the Solicitor General that I would receive an answer on government policy on this most important matter early this week?

Hon. Guy Favreau (Acting Solicitor General): Mr. Speaker, I can promise to refer the question immediately to the Solicitor General.

Mr. Winch: I understand the Solicitor General is in England.

[Mr. Kindt.]

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

INQUIRY AS TO PRODUCTION OF ADDITIONAL FILES

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a question to the President of the Privy Council who attended the meeting between the Prime Minister (Mr. Pearson) and the R.C.M.P. commissioner at the end of November 1964?

Can the President of the Privy Council tell us if, in addition to the Munsinger file, the R.C.M.P. commissioner handed him or the Prime Minister other files concerning other events, similar or almost similar, to the Munsinger case over the last ten years?

Mr. Speaker: That question is out of order because it deals directly with an inquiry now under way.

Mr. Grégoire: Mr. Speaker, with all due respect, my question is in no way connected with the royal commission now sitting. I am just asking if, at a given moment, Commissioner McLelland gave the Prime Minister other similar files concerning hon. members over the last ten years. That has nothing to do with the royal commission on the Munsinger case.

Mr. Speaker: Even if I accept the hon. member's suggestion that his question bears no relation to the inquiry I referred to, he must admit just the same that his question is not so urgent that it can be asked at this time.

Moreover, that question deals with something that has already happened and, under the circumstances, I feel that it is unacceptable.

[*English*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I did not quite understand the reference you made a moment ago, but if I comprehend correctly you indicated that any matter which came before the royal commission could not be discussed here in the house. I want to make it very clear that we cannot accept such a ruling.

Mr. Speaker: No, this is not what I intended to say and I hope it is not what I said. I had the impression that the hon. member was asking a question which dealt directly with evidence, and in its limited context it was my opinion that the specific question could not be answered.

[*Translation*]

Mr. Grégoire: With all due respect, Mr. Speaker, my question had no direct relation to the Munsinger case—

Mr. Speaker: Order. I accept the hon. member's explanation but his question, as put, is not urgent enough to be considered at this time.

Mr. Grégoire: Mr. Speaker, I will put my question in another way so that it will be urgent enough to be considered at this time.

Can the President of the Privy Council tell us if other similar files were handed to him or the Prime Minister and if they will be made public shortly?

Mr. Speaker: The question is not any more urgent now than it was when asked the first time.

Mr. Grégoire: Mr. Speaker, may I discuss the matter on the ten o'clock show?

[*English*]

FINANCE

NOVA SCOTIA—REQUEST FOR ASSISTANCE FOR AUTOMOBILE INDUSTRY

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is addressed to the Minister of Finance, who is responsible for the Tariff Board. I have given the hon. gentleman notice of this question. In view of the fact that the voluntary economic planning board of Nova Scotia now warns that the infant automobile industry in Nova Scotia may fail unless an extension of tariff arrangements is made, would the minister lend his good offices to help this industry?

Mr. Speaker: Order, please. That question cannot be accepted. The hon. member may wish to place it on the order paper.

INDUSTRY

BEAVERTON, ONT.—CLOSING OF AUTO PARTS PLANT

On the orders of the day:

Mr. W. C. Scott (Victoria (Ont.)): My question is to the minister of manpower, and relates to a question I asked of the Minister of Industry last Friday. Will the minister advise the house if his department is looking into the lay-off of approximately 225 employees of Lake Simcoe Industries Limited, at Beaverton, Ontario, and assure the house that all employees affected by this lay-off will be given all possible assistance in finding new jobs, if possible in the area in which this plant is located?

Hon. Jean Marchand (Minister of Citizenship and Immigration): I will take the question as notice, but the hon. member can be sure that if this lay-off is taking place now, we will make all our services available to this group of men.

Mr. David Lewis (York South): May I address a supplementary question to either the minister of manpower or the Minister of Industry. Has either minister received a request from certain of the employees to purchase the particular business which is being closed down? Has the government considered giving them a loan to assist them in that purpose?

Hon. C. M. Drury (Minister of Industry): No such proposal has come to my attention. I do not know whether it has come to the attention of my colleague the minister of manpower.

MANITOBA—REQUEST FOR DECLARATION AS DESIGNATED AREA

On the orders of the day:

Mr. E. R. Schreyer (Springfield): I have a question for the Minister of Industry. I should like to ask the minister if he has received a resolution passed virtually unanimously in the Manitoba legislature last week calling on the federal government to declare the entire province of Manitoba a designated area under the designated area program of his department? If he has, how has he considered this request?

Hon. C. M. Drury (Minister of Industry): I can understand the desire of the legislature of Manitoba to be brought under the umbrella of this really quite successful program, but I have not received any such resolution.

If and when it is received it will be replied to, but it will have to be pointed out to the sender that this program calls for designation of areas suffering from high chronic unemployment. It is difficult to find that metropolitan Winnipeg, for instance, is suffering currently, I am glad to say, from high chronic unemployment.

Inquiries of the Ministry

EXTERNAL AFFAIRS

MAINLAND CHINA—POSSIBILITY OF RECOGNITION

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. My question is based on an address given by the Minister of Veterans Affairs on behalf of the Prime Minister to the council of world veterans federations in Toronto yesterday. I may say the minister did himself proud. His address was well received and he delivered it very well. I am quoting from the remarks of the minister:

> For the UN to secure a valid mandate to intervene with effect anywhere in the world, its membership should include states everywhere in the world.

My question is, will the minister inform the house, in view of past government policy, what the government is undertaking at this time to promote the recognition of mainland China and its admission to the United Nations?

Mr. Speaker: Order. This question seems to be of a very general nature. I suggest to the hon. member it cannot be asked in this form at this time.

HEALTH AND WELFARE

MEDICARE—POSSIBLE INTEGRATION WITH ONTARIO PLAN

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare, and is based on reports concerning the limited enrolment taking place in OMSIP, the Ontario medical services insurance plan. Are discussions taking place between the federal government and the Ontario government concerning the possibility of integrating OMSIP and the federal government's medicare program?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Following the federal-provincial conference held early in the year there was an exchange of correspondence between me and the minister of health for Ontario with respect to further elaboration of the federal proposals. Since that correspondence there have been no further discussions at the ministerial level. I will investigate whether discussions have taken place between my officials and the officials of the health department of Ontario.

[Mr. Drury.]

AGRICULTURE

REQUEST FOR WHITE PAPER ON NATIONAL POLICY

On the orders of the day:

Mr. E. R. Schreyer (Springfield): My question is addressed to the Minister of Agriculture. His colleague the Minister of Forestry was reported as having said in Winnipeg last week that the government was working hard to produce a white paper on national agriculture policy. Can the minister say whether a white paper on agriculture policy will be tabled in the next 60 days or so?

Hon. J. J. Greene (Minister of Agriculture): I make no commitments that have any 60 day connotation in them.

Mr. Ricard: Are you speaking from experience?

Mr. Schreyer: May I ask a supplementary question, Mr. Speaker. Are the minister and his colleagues in fact working on a white paper on national agriculture policy?

Mr. Speaker: I do not believe that question, in the way it is put, is acceptable. The hon. member may either put it on the order paper or discuss it on the adjournment debate.

Mr. Schreyer: Ten o'clock, Mr. Speaker.

SUPPLY

Hon. Mitchell Sharp (Minister of Finance) moved that the house go into committee of supply.

MORALITY IN GOVERNMENT AND PARLIAMENT —NEED FOR REFORM

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, the institution of parliament is on trial and we who are its present members, I submit, are in danger of being accused of standing by while what some think of as its splendid purposes are destroyed by those whose conception of its role is narrow and mean. Bruce Hutchison in the Ottawa *Journal* for April 30 last wrote in another context, but the application of his words is relevant:

> . . . the largest question in the western world remains unanswered. It is whether, against the proliferating state, the individual can survive; whether the collective roof will fall in, under its own weight, and crush the private human beings who built it. Some day, perhaps, our politicians will get around to thinking about these matters but at the moment they are otherwise engaged in their jolly sham battle fought with spitballs and mud.

We have serious problems and those problems demand our combined intelligence and our combined ingenuity. Surely those who have an interest in the continuity of this place feel that there are large problems which we should be considering. One of those that I look upon as being very real is how to improve the control that parliament should, if it is to fulfil its prime mission, be able to exercise over the general administration. This is a difficult concept to discuss, but it is discussed in a most interesting way in a book entitled "Modern Capitalism," by Andrew Shonfield. Obviously our parliament is not unique in its search for a formula which would enable it to adapt itself to the modern world. In the United Kingdom, France, Sweden and in the United States the search for better methods continues.

We representatives, I suggest, must re-equip ourselves and our system so we can talk on equal terms with the great body of administrators who intervene increasingly in our daily lives. Let it be clearly understood here that I am not launching a discussion on the public service as an institution, because I believe Canada is tremendously well served by our public service. The concept I have in mind is much broader than this. As Shonfield says:

> —the central question is how far an active government wielding great and varied economic power, intervening in the detailed conduct of private business affairs, discriminating between one citizen and another on the basis of subtle and complex judgments of the community's needs ten or twenty years ahead, driving bargains with particular interest groups as administrative convenience dictates, can be subjected to effective democratic control?

These are things on which we should be spending our time. As Shonfield says:

> —a nation which is unable to establish effective democratic control over the processes of modern government faces one of two alternatives. Either it must accept that the liberties of its citizens will be diminished or it must forego the great material benefits which can be made to flow from the operation of the active interventionist state of today.

• (3:50 p.m.)

What more acceptable challenge could be imagined for the parliament of 1966 than devising a formula which would recognize our traditional anxiety about the individual citizen and his liberty and our concern that parliament remain an effective and relevant instrument for the conduct of public business? How do we make sure that the member of parliament plays a meaningful role in the business of government? How too do we ensure the protection of the individual citizen against the arbitrary exercise of an ever more extensive public power? The ombudsman of Scandinavia, the Conseil d'État of France, the Swedish principle of the goldfish bowl, are all ways in which various other countries have begun to try to solve this fundamental question.

But, Mr. Speaker, rather than deal with these affairs, we seem to be dealing in this country with quite a different issue. We ignore the fundamental problem, to our peril I suggest. Because we do, many thoughtful Canadians have been deeply troubled, in fact they have become alarmed, at the low estate to which government and parliament have fallen of late. There is no need here to catalogue a list of the smirches on the escutcheon of parliament, but let us examine the events surrounding the evidence given at the so-called Spence inquiry by the commissioner of the Royal Canadian Mounted Police, who disclosed that late in November 1964, within days of charges having been made in this chamber by the hon. member for Yukon (Mr. Nielsen), the Prime Minister asked the commissioner whether there were any files involving members of parliament in wrongdoing.

The fact that the Prime Minister asked the commissioner whether there were any files involving any member of parliament of any party in matters of a scandalous nature over the past ten years is evidence—evidence which has been published abroad, and quite properly—which shows how proper was the concern of many people in this country that this inquiry should be a public inquiry. There really need not have been any other single piece of evidence to prove this essential point. The commissioner told the Prime Minister about the Munsinger file and a summary of it was provided. That summary was kept in cold storage, if that can be possible in this context, by the Prime Minister until the commissioner last month asked that it be sent back.

What a sinister abuse of the rules of law. What a tragic and dangerous misuse of the Royal Canadian Mounted Police. What a cynical attitude to the constitutional role of a member of parliament and his obligation to exercise independence in debate, unfettered by any threat or improper pressure.

I shall make no attempt to try to anticipate the outcome of this inquiry because that would be improper. I shall not comment upon the manner in which it is being conducted

except to say, as has been said in other places, that the terms of reference are cleverly designed as a government fishnet which, when carefully used, could gather in a very bitter harvest of wrecked careers of people in public life.

The evidence of Commissioner McClellan is now being subjected to a most interesting process of interpretation by unnamed spokesmen for the government. This is what brings the matter into the public domain and is why I feel it is quite proper to discuss it in this parliament. These unnamed spokesmen for the government and even, we learn, the members of the national executive of the Liberal party, have been asked for their opinions about the grave implication of the commissioner's disclosures in what is termed a question and answer session with the Prime Minister.

We know all about the open telephone line that is the new device of radio. It must have been a very open telephone line to 24 Sussex Drive this week end. The commissioner was not restricted in his instruction from the Prime Minister. As George Bain put it in today's *Globe and Mail*:

> This was not to confine the commissioner to any evidence he might have about an offence or possible offence under any law; it was a straight request for any scandal or gossip that the R.C.M.P. might have acquired.

The file was delivered to the Prime Minister, Mr. Speaker, in November, 1964. Why, if matters of national security were at stake, did the government not use it until April, 1966? The security which to me is now of transcendent importance is the security of our very parliamentary system of government. Can anyone possibly believe that the Royal Canadian Mounted Police should in effect be used by government as a political force? To quote Mr. George Bain again:

> If the R.C.M.P. can be called upon by any government for "information indicating any impropriety or anything of a scandalous nature" about members of parliament, who is to say that it cannot similarly be called upon for scandal about others? That was not wrongdoing under the law that the commissioner described in those words; that was the stuff of smear.

None of us can stand aside from this issue, Mr. Speaker. None of us can hide under any interpretation—

Mr. McIlraith: Mr. Speaker, I should like to raise a point of order at this stage. The hon. member is seeking to deal with a portion of the evidence which is now in the course of being given before a royal commission.

[Mr. Fairweather.]

Mr. Diefenbaker: Now given.

Mr. McIlraith: Now in the course of being given before a royal commission.

Mr. Diefenbaker: Now having been given.

Mr. McIlraith: Mr. Speaker, I should like the courtesy from the Leader of the Opposition, because of the nature of the subject matter, of being allowed to make my point of order. Whether or not it is well founded is a matter for decision in due course.

Mr. Diefenbaker: But your wording was incorrect.

Mr. McIlraith: I should like to make it with the usual rules of the house being applicable, namely, that I not be rudely interrupted by the right hon. gentleman from his seat in this house.

Mr. Diefenbaker: Mr. Speaker, on a question of privilege, I did not rudely interrupt; I just corrected a statement that was incorrect.

Mr. McIlraith: Mr. Speaker, there is a procedure for correcting statements in this house which any hon. member thinks are incorrect. I should like the Leader of the Opposition, who I think has received courtesy from me in the past, to avail himself of the rules of the house and I ask him to observe them as the rest of us are expected to.

My point of order, at least as I see it, is deserving of the attention of this house. Very simply, it is this. A royal commission is sitting on this matter. Evidence is being given before it. The hon. member who now has the floor on this supply motion has been discussing—I take it he has been quoting from the record though personally I have not yet seen the record—a portion of the evidence which has been given before the royal commission.

Now, Mr. Speaker, if that is to be done with any matter which is before a royal commission or before a court, it must be patent to everybody that those bodies would not be able to carry on, because by the very nature of things evidence may not be completed at one sitting of a court or royal commission, and until it is complete, conclusions should not be drawn. The evidence comes out piece by piece, question by question, witness by witness. What I presume the hon. member is now seeking to do is to discuss one question and one answer that have come out in evidence on one day before the royal commission.

• (4:00 p.m.)

I respectfully submit that the rule is that when a matter is before a royal commission or a court it is not proper for the house to discuss it during the currency of the taking of the evidence.

Mr. Churchill: Is it all right for newspapers to do that?

Mr. McIlraith: It may be very proper at the appropriate stage when the proceedings are concluded to raise such matter. But that stage is not now. That is my point. I therefore ask that the hon. member's remarks be ruled out of order.

Mr. Fairweather: What I have been trying to discuss is a much larger question. I am sorry I have not been able to put it into the kind of words to suggest my feelings about the matter. What I refer to is of far broader implication than the subject to which the house leader refers. I am discussing, if I need to clarify it for him, what is really the question of morality in government or morality, if you like, in parliament. I have used as an example a question and an answer.

I am perfectly aware how these commissions are conducted. I commented on the fact that unless I discussed the subject in very broad terms I might be out of order. Furthermore, this very question and answer have been subjected to interpretation by as yet unnamed people. If this type of thing is subjected to interpretation outside parliament, surely we should be privy to it here. Unless there are serious objections I am going to continue with my speech.

Mr. Speaker: The hon. member for Greenwood on the point of order.

Mr. Brewin: Mr. Speaker, I should like to say a word, if I may, on the point of order. I should like to try to make the point that the claim that a matter is sub judice, or has been in some way taken beyond the right of this house to discuss merely because it happens to be mentioned in the proceedings of a royal commission, is a claim that is without precedent and without foundation.

Mr. Nielsen: They know that.

Mr. Brewin: Furthermore, such a claim could seriously damage the rights and privileges of this house.

Mr. Nielsen: They know that too.

Mr. Brewin: A royal commission is appointed to inquire into many broad matters. It is not a court. Let us make that clear. Let us also make clear that when a matter before a court is properly under consideration by the court it would be contempt of that court for this body or any other to discuss matters before that judicial tribunal.

However, a commission of inquiry is not a judicial tribunal even though it be presided over by the most distinguished judge in the country. It would be a strange thing, Mr. Speaker, if the rights and privileges of this house, having been brought in issue by something which incidentally happened to be revealed in the proceedings of a royal commission, were, during the months or perhaps years that some of these royal commissions sit to be withdrawn in such a way that the house would not have the right to discuss them.

I took down the words used by the house leader. He said that the rule is that a matter which is before a royal commission or the courts is not to be discussed in this house. I challenge him to produce authority to equate a royal commission with the courts of the land.

An hon. Member: They are different.

Mr. Brewin: I do not think that can be done. But, Mr. Speaker, I point out that what is before the royal commission are the terms of inquiry and the terms of inquiry do not cover the question being discussed by the hon. member for Royal. Nothing that the royal commissioner may say in respect of this statement which happens to have been made in evidence given by the commissioner of the Royal Canadian Mounted Police or, indeed, nothing that is said before that commission affects the rights and privileges of members of this house. It is not something that has been referred to the royal commissioner. Indeed, I would think it strange if he saw fit to comment on it. What has been included in the very narrow terms of reference of that commission are certain matters which are well known to this house. I do not need to enlarge on them.

I point out to you, sir, that the matter before the royal commission does not include something which arose incidentally out of the evidence before the royal commission and which was to the effect that a member of this house, the Right Hon. Prime Minister, had made an inquiry from the Royal Canadian Mounted Police not affecting the Munsinger inquiry directly at all in any way but affecting the reputation of every member of the house. That inquiry related to the conduct,

supposedly scandalous, and possible wrongdoing of every member of the house at that particular time.

I suggest to you, sir, that this matter is not before the royal commission in any way, shape or form. I suggest that to use this incantation of sub judice as the reason why this house should not discuss the very important matters raised by the hon. member for Royal would be to deprive this house of the opportunity to vindicate its own privileges and rights. I therefore hope that you, sir, will rule, in accordance with my submission, that the hon. member for Royal should proceed to discuss this matter now according to the rules of this house.

Mr. Nielsen: On the point of order—

An hon. Member: Are you an authority?

Mr. Nielsen: I hear an interjection by a backbencher referring to me as an authority. He should know. He is sitting with his *Hansard* before him.

Mr. Lind: I resent that because I have not said a word. Withdraw.

Mr. Ricard: There was no need to identify yourself.

Mr. Nielsen: Contrary to what the Minister of Public Works has said, the evidence which has been given before the inquiry is being discussed. Where are we in this house if that evidence can be discussed by the communication media across this land, by every newspaper in the country, by every television station, every radio station while at the same time we are prohibited, according to the submission of the Minister of Public Works, from discussing it in this house where the privilege surely resides?

The precedent was set during the proceedings of the Dorion inquiry. I know that the Secretary of State for External Affairs looked at this matter very carefully at the time. The evidence before that inquiry was discussed in this house before that inquiry made its findings. Indeed, the subject matter arose as a result of the Prime Minister's sending a memorandum and thereby smuggling evidence before that commission that he did not appear to give personally. On the basis of that action the precedent has been set by this house.

I took from the remarks of the hon. member for Greenwood the argument that Your Honour ought to find that it should, in effect, be prohibitory to discuss in this house matters which may fall within the terms of reference passed by the house. I think that also is unduly restrictive of the privileges of debate and of privileges generally in this house.

Parliament from start to finish is seized of those terms of reference. At any time they can be altered by parliament. The terms of reference have to come before parliament to be so altered.

Mr. Starr: They were not approved by parliament.

Mr. Nielsen: I am sorry; I ought to have said "by the executive". It would be very strange if, once an order in council has been passed setting up a commission, the executive or parliament could not at any time enlarge, restrict or alter the terms of reference.

• (4:10 p.m.)

I submit that the authorities are clear. There is nothing sub judice about discussing any matter before the royal commission. I say that not because of the compelling reasons given by the hon. member for Greenwood but by virtue of the fact that parliament is supreme in this field. It is always seized of the right to discuss matters such as the one before Your Honour now. In my submission it would be an abdication of the rights of parliament if the right to discuss such matters were to be taken away from members.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, once again I am in agreement with the hon. member for the Yukon (Mr. Nielsen) when he states that such a matter may be considered by the house.

Obviously, Mr. Speaker, a Royal Commission has not the authority to hold anyone in contempt of court. If such power is not given, if it may not, through positive action, prevent mention of it, I do not see, then, why the members should not be entitled to discuss the question raised by the hon. member for Royal (Mr. Fairweather).

Furthermore, the matter referred to the Spence Commission for investigation has nothing to do with the ways or methods through which the Minister of Justice (Mr. Cardin) has gone through the file. This is precisely what we want to discuss. According to the member for Royal, two totally different questions are involved. When the Spence Commission was instituted, its terms of reference were not to inquire into the ways through which this could have come to the

ears of the ministers of justice. The purpose of the Spence Commission is surely not to investigate as to how the Prime Minister has taken cognizance of the Munsinger affair or how he asked for the file.

In the circumstances, I believe this is a new matter and that the hon. members should be entitled to discuss it. I do not mean to say that it is appropriate to discuss it now, while the people expect something positive from us, namely legislation. But I say it is a privilege of the members to discuss it and if the members wish to avail themselves of the privilege, it is their right to do so. I am not in favor of pursuing the debate interminably on this matter, I feel rather that it is time that the house go on to, the positive consideration of legislation.

[*English*]

Mr. Fulton: I wish only to refer Your Honour to the situation which now prevails in the United Kingdom. I do so because the select committee on procedure which sat in 1962 and 1963 gave specific attention to the question of what is involved in the phrase "sub judice" in so far as it may restrict the right of discussion in parliament.

For my authority I refer to the seventeenth edition of May. At page 454 hon. members will find set out specifically how the sub judice rule applies. It bars references in debate to "matters awaiting or under adjudication in all courts exercising a criminal jurisdiction and in courts martial."

Mr. Martin (Essex East): What edition is that?

Mr. Fulton: The seventeenth edition at page 454. The commission here is not a court exercising criminal jurisdiction.

In the second place, reference is barred with respect to "matters awaiting or under adjudication in a civil court." Once again, a commission of inquiry is not a civil court. Third, the citation speaks of the ban applying "in the case of any judicial body to which the House has expressly referred a specific matter for decision and report".

It is clear from what has happened earlier in this chamber that the House of Commons did not approve or in any way pass upon the terms of reference to this commission. The inquiry was set up entirely as an act of the executive. I appreciate that the rules of the parliament of the United Kingdom are not ipso facto the rules which govern us here, but since a committee there has given careful consideration to this question and set out in detail what the phrase "sub judice" really means, I do suggest this is something which should be taken into consideration by Your Honour as having great weight in reaching a decision on this subject.

Mr. Knowles: I wish to support briefly the position taken by the hon. member for Greenwood, a position which has been supported by others. I should like to begin by drawing attention to something which is not in our Standing Orders as well as to the only reference to this matter which is to be found in the citations covering our proceedings.

First, may I point out that in our Standing Orders as such there is no sub judice rule. There is a Standing Order—I believe it is number 35—to the effect that members cannot speak disrespectfully of the Sovereign and certain other persons. But there is no such thing as a sub judice rule in our Standing Orders.

Nevertheless, in our citations—and we are governed largely by them—there is item 149(c) to be found in Beauchesne's fourth edition at page 127. This is the one which deals with reflections on the Sovereign, and it says:

> It has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not:
>
> (c) refer to any matter on which a judicial decision is pending

I would add that if one looks up "sub judice" in the index to Beauchesne he will find that this is the only prohibition to which reference is made, namely, that a member cannot refer to a matter on which a judicial decision is pending. I would point out that the question which has been referred to Mr. Justice Spence is one calling for him to inquire fully into certain matters. I have before me the full text of the order in council as it was tabled in this house on Monday, March 14, 1966 and as recorded at pages 287 and 288 of *Votes and Proceedings* for that day. It is a lengthy order in council and I will not read it all, but I have checked it over carefully. All it does is appoint Mr. Justice Spence to be a commissioner to inquire fully into several things. These things are spelled out. But there is no suggestion anywhere in the order in council that Mr. Justice Spence has to make a judicial decision; he has to inquire into the matters which were referred to him.

I agree with my hon. friend from Greenwood that for the most part the subject which the hon. member for Royal was raising

is outside the terms of reference of the order in council of March 14. It is surely not precluded from discussion here because these are not matters on which a judicial decision is pending.

Therefore the only rule, if one may call it that, the only citation in the book, does not stand in the way of what the hon. member for Royal is seeking to do. I will go further and say there is nothing in our Standing Orders which could be called a sub judice rule. I should like to support very strongly the remarks made by one of the earlier speakers, the hon. member for Kamloops, to the effect that the reference of Monday, March 14, was made not by parliament but by the executive, by the governor in council. If this were a device which were to be allowed, if each time a government by executive action referred something to an outside body it could not be taken up upon the floor of parliament, one could easily see the extent to which such a practice could be abused. I am sure Your Honour appreciates the force of the arguments of those who have already spoken to the effect that this matter is in the hands of parliament and, because it is in the hands of parliament, we have the right to discuss it.

• (4.20 p.m.)

So far as the point of order raised by the Minister of Public Works is concerned, I would point out that all he did was to make an assertion. He gave no citation or ruling, nothing to back up his assertion. He just asserted that this matter is sub judice and therefore it cannot be discussed. I submit that the only things we are barred from discussing, even by the citation, are matters upon which a judicial decision is pending and, no matter what comes out of Mr. Justice Spence's inquiry, he is not called upon to make a judicial decision.

Mr. Thompson: Mr. Speaker, my comments will be very brief, and I speak from the standpoint of the authority provided for us in standing order No. 35. I believe that is the only authority to which we can refer. I do not refer to it from a legal standpoint because I do not feel qualified to do so, but I must speak in support of what the hon. member for Winnipeg North Centre has just said. Citation 149(c) makes it very clear that the restrictions placed upon members of the house refer to a matter in which a judicial decision is pending.

[Mr. Knowles.]

In my opinion the royal commission that has been set up is not in any manner a court. There is no judicial decision that can be made by it and even though the chairman of the commission is himself a member of the Supreme Court of Canada the commission is not acting in any sense as a court of justice. Mr. Justice Spence is chairman of a royal commission that has been set up by the executive, and the recommendation which he will make can in no way be considered as a judgment made by a court of justice. Therefore, Mr. Speaker, we must give our support to the argument that has been made by the hon. member for Winnipeg North Centre and we must also support the point made by the hon. member for Kamloops.

I believe that the Minister of Public Works is mistaken in the position he has taken because he is claiming that the royal commission is something which it is not. He is assuming that the decision or recommendation to be made by the commission is equivalent to a judicial decision, something which it cannot be. Therefore, Mr. Speaker, we base our position clearly on this one point, paragraph (c) of citation 149.

Mr. Baldwin: Very briefly, Mr. Speaker, I think the issues have been pretty well covered but I would like to place before Your Honour a narrow interpretation within the wording of citation 149, even if Your Honour takes the view that a judicial decision can be taken to cover the findings of a royal commission. I submit that there is no judicial decision pending in any sense of the word on the particular matter which the hon. member for Royal has raised, namely, the statement made by the commissioner of the R.C.M.P. in his evidence before Mr. Justice Spence.

I put it this way. Surely with respect to collateral issues which may be raised at any time by evidence given we cannot be deprived of the opportunity to discuss them. The res gestae, yes, in a civil case, the charge and defence in a criminal case, yes, and in a royal commission the terms of reference, but where evidence is given which may be collateral to the issue and with regard to which an attack might be made on credibility, surely this house is not to be prevented from discussing at any time, even while the royal commission proceedings are continuing, those collateral issues in that narrow sense. Furthermore, in this case the matter raised is not one with respect to which any decision is pending.

Mr. Justice Spence is not going to make a finding on the credibility of the commissioner of the R.C.M.P. in respect of this particular collateral matter. Therefore I think it is perfectly open for the hon. member for Royal and for this house to discuss it.

Mr. Speaker: Order please. After hearing these very learned comments I think hon. members would expect the Chair to express an opinion about the point raised by the Minister of Public Works.

I think I should mention honestly to the house that this is a point I have had in the back of my mind for some days. It was brought to the forefront when questions were asked during the question period last week. The questions asked at that time were not allowed at that particular moment, but I did not want to convey the impression that these questions could not be debated at all in the house. It was my feeling that because of the way in which the questions were posed they were not so urgent.

However, this raised the issue and I had to consider the matter further when I received notice that the hon. members who had asked the questions wanted to debate them on the adjournment motion. This put me in a position where I thought I should give the matter very serious consideration, which I did over the week end and particularly this morning. Briefly I might say I agree substantially with the views expressed by hon. members who have taken part in the debate, for reasons which I will now give.

In a general way the principles that govern the sub judice doctrine are found in the following quotations. Lord Campion in May's Parliamentary Practice, sixteenth edition, at page 400 states:

> A matter whilst under adjudication by a court of law, should not be brought before the house by a motion or otherwise. This rule does not apply to bills.

Also in the same edition, at page 457:

> Matters awaiting the adjudication of a court of law should not be brought forward in debate, except by means of a bill. This rule was observed by Sir Robert Peel and Lord John Russell, both by the wording of the speech from the throne and by their procedure in the house, regarding Mr. O'Connell's case, and has been maintained by rulings from the Chair.

Bourinot's fourth edition at page 301 also states:

> A matter which is under adjudication by a court of law cannot be brought forward before the house by a motion or otherwise.

Also, in Beauchesne, fourth edition, at page 127, is found the following, and this citation which I have before me was mentioned by a number of hon. members who took part in the discussion including the hon. member for Winnipeg North Centre:

> Besides the prohibitions obtained in standing order 41, it has been sanctioned by usage both in England and Canada, that a member, while speaking must not . . .
>
> (c) refer to any matter on which a judicial decision is pending.

Generally speaking I believe it may be stated that the creation of a royal commission is purely an administrative matter, that the commissioners are not called upon to render decisions on what has been submitted to them but are only asked to make recommendations which the government is free to act upon or not as it wills. In other words, parliament is still the highest court in the land. One of its traditional rights is to express its power by the enactment of legislation and this right cannot be set aside by a mere reference of certain matters to a royal commission for a study thereof and recommendations thereon.

As hon. members well know, commissioners are generally appointed under Part I of the Inquiries Act which simply provides that the governor in council may cause inquiry into public matters and appoint commissioners for the purpose who shall have the power of summoning witnesses and of requiring them to give evidence on oath. They are, it is true, given such powers as are vested in any court of record, but the wording of the act is that it does not constitute them a court of record.

On October 15, 1957, an order in council was passed to appoint commissioners under Part I of the Inquiries Act to inquire into and make recommendations concerning, *inter alia,* policies in relation to the export of energy, the regulation of the transmission of oil and natural gas, the financial structure and control of pipe line corporations, prices or charges, the extent of authority that might best be conferred on a National Energy Board, etc.

A few days later the then hon. member for Rosetown-Biggar sought to discuss the subject matter of the inquiry. A point of order was raised submitting that the hon. member was out of order because he was dealing directly with the terms of the royal commission and a subject referred to it. Mr. Coldwell then said:

> May I say, Mr. Speaker, that I am not dealing with the report of the royal commission. When does an announcement that a royal commission is being set up preclude discussion in this house?

After some argument Mr. Speaker Michener rose and rendered the following decision which is found at page 119 of the debates of 1957-58, volume I:

• (4:30 p.m.)

There is nothing on the order paper which would preclude a discussion of this matter. The royal comimssion is not a court of record and matters before it are not sub judice. Therefore I see no reason why the hon. member should not discuss it.

From a study of the precedents it appears that if the subject matter introduced in the house is at the moment before a court for decision and adjudication and a judgment has not been rendered, or if judgment has been rendered and an appeal taken, then the matter is sub judice. On the other hand, if the subject matter has simply been referred to a commission for study and report and it is not asked or empowered to render a decision—in other words, if once the report is made it will be the function of the government to implement—the matter is not sub judice.

During the question period, when a question was asked by an hon. member about which I had some doubt because it seemed to be dealing perhaps directly with evidence given before the commission, I had in mind at that time a decision of Mr. Speaker Macdonald which so far as I have been able to ascertain is the last decision on the point. It reads as follows:

I would accordingly rule that it is not out of order to discuss transportation problems generally when such matters have been referred to a royal commission. On the other hand, I would also rule that reference should not be made to the proceedings, or evidence, or findings of a royal commission before it has made its report.

This, of course, is something we have before us; it is a decision of Mr. Speaker Macdonald which we have to take into account. It cannot be easy for the Chair to decide, when an hon. member is taking part in a debate, whether or not he actually is dealing with the evidence itself. I think there is much to be said for the position of the hon. member for Peace River when he referred to evidence which might be given before the royal commission on a collateral issue or issues perhaps not of essence. I have in mind that the witness before the commission discussed collaterally something which was not basically of the essence of the subject matter of the commission. I believe we should not preclude hon. members from referring to such a matter if it was discussed collaterally in the evidence given by such a person.

[Mr. Speaker.]

I still feel that hon. members should bear in mind the decision of Mr. Speaker Macdonald that we should not delve into the evidence itself. In any event, the hon. member for Royal has indicated that is not the subject matter of his contribution to the debate this afternoon. I would think, therefore, that the discussion we are having now is not a discussion of a matter which is sub judice, and I rule against the point of order raised by the hon. Minister of Public Works.

Mr. Fairweather: Mr. Speaker, this very discussion, it seems to me, contributes to the jurisprudence of this place and the manner in which it is conducted. It fits in very well with the theory I am trying to enunciate. None of us, as I was saying, can stand aside from the fundamental issues. All of us must be called to account, those in high places and those on the back benches. Those who bandy about highminded phrases about the new politics must interpret their philosophy in the light of their words and their actions, since they have enunciated that philosophy.

Obviously—and this has been said by other speakers in other forums—we must expect the thrust of legitimate political debate and as a matter of fact should welcome it, but all of us must conduct ourselves so as to be above suspicion. It seems to me that when we think of the evil that is the subject matter of this inquiry we should remind ourselves that public morality is not confined to the bedroom. Public morality is part and parcel of every public man's actions; public morality is relevant in this chamber; public morality is interwoven into all our motivations, into all our policies as political people, and is even interwoven into our tactics.

There is public morality in the tactics we employ. I think we should remind ourselves of this as some of us go about our sinister business. I wonder whether survival unscathed and untarnished will be the only thing to the credit of some of us when we have finished our membership here? What a hollow type of victory this would be. Jacques Barzin answered about another event, when asked what he accomplished in those days, "I survived". Is this to be the sole thing we can say at another time, that we survived? The engines of smear, once started, are hard to stop. The habit of scandal is hard to break. These are days when we should be asking whether there is in fact a decline in the integrity of public life.

Here I should like to share with the house a couple of quotations from speeches by Right Hon. Harold Macmillan. The first will be found in the Parliamentary Debates 1962-63, volume 667, dated November 14, 1962. I do not think I need draw the attention of the house to what issue was before the House of Commons on that occasion. He said:

I repeat that none of us who has had any long experience of the ordinary thrusts, however wounding, of political life pays much attention to them. We try to control our temper and take as easily as we can the ups and downs. If one were to answer every falsehood that is put about, one would spend one's whole time in repudiation. Many things are best put aside and many criticisms find their own level.

Again, on page 401 he goes on:

I have a feeling that the time has come for men of propriety and decency not to tolerate the growth of what I can only call the spirit of Titus Oates and Senator McCarthy. At any rate, let the judgment be made. If these men are guilty of what it is said they are guilty of, in the old days their heads would have fallen on Tower Hill and today they would never dare lift up their heads among their comrades again. If those who accuse them have done so falsely out of wantonness or malice, let them receive, in due course, not only those who come in the front line, but those who stand behind them, the reprobation which they will have deserved.

The second quotation is from a speech by the same right hon. gentleman on May 7, 1963, and is found on page 250, volume 677:

As for men in public life—and here we are all in the same boat—I do not think that they must be too sensitive. They must expect, whether by the reporter's words or the cartoonist's pencil, to suffer some wounding blows. This is part of what we assume when we voluntarily enter upon public affairs.

• (4:40 p.m.)

It is in this context, Mr. Speaker, that I deplore what we have been about. Because I am one who believes that talk should be followed by some action, I propose, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale), amending the motion that is before Your Honour as follows:

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

"this house strongly deplores and condemns this government's actions in having the R.C.M. Police provide information to the government as to the past conduct of all members of parliament generally, a course of action which would destroy the independence of all members and undermine the institution of parliament."

Mr. Deputy Speaker: Order. Hon. members have heard the amendment moved by the hon. member for Royal. If there is no objection to this amendment I shall proceed to read it.

Mr. MacEachen: Mr. Speaker, there is a procedural point of some importance which I believe arises out of the ruling made by His Honour a few moments ago.

Mr. Deputy Speaker: May I interrupt the minister? When the minister rose to speak I was going to add that I would read this amendment from the chair subject to the ruling made by Mr. Speaker. Perhaps the minister would wish to continue now.

Mr. MacEachen: I am not sure whether I should proceed to make the point of order now or following the reading of the amendment, but I do wish to present a point of order, Mr. Speaker, with regard to the terms of the amendment. I make the submission that the terms of the amendment are not in conformity with the ruling made a moment ago by His Honour.

Mr. Deputy Speaker: Then I shall proceed to read the amendment moved by the hon. member for Royal again, subject to the limitations contained in the ruling made by Mr. Speaker. Moved by Mr. Fairweather, seconded by Mr. Dinsdale:

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

"this house strongly deplores and condemns this government's actions in having the R.C.M. Police provide information to the government as to the past conduct of all members of parliament generally, a course of action which would destroy the independence of all members and undermine the institution of parliament."

The Minister of National Health and Welfare.

Mr. MacEachen: Mr. Speaker, the ruling made by His Honour was based on a ruling previously made by Mr. Speaker Macdonald.

Mr. Nielsen: Mr. Speaker Michener.

Mr. Pickersgill: No, Mr. Speaker Macdonald.

Mr. MacEachen: I understand that this ruling is reported in *Hansard* for March 21, 1950, at page 949. I understand that Mr. Speaker Macdonald was ruling on precisely the kind of discussion that could take place in the House of Commons with respect to a matter which was at that time before a royal commission. It has been suggested by hon. members opposite that the inquiry we are discussing is a royal commission. At that time Mr. Speaker Macdonald ruled, as I recollect the quotation, that it was possible to deal with collateral matters relating to a royal

commission but it was not possible to discuss evidence given before a royal commission.

I submit that this amendment is simply, and not only simply but straightforwardly and fully, founded upon evidence given before this royal commission and that the amendment would be meaningless unless it involved a discussion of evidence given before the royal commission. My submission is that this amendment as framed should, by virtue of the ruling previously made by His Honour, be ruled out of order because it cannot be discussed. It has no meaning, no relevance, unless it hinges upon evidence given before a royal commission and, as His Honour ruled a few moments ago, this kind of discussion would be irregular and improper.

Mr. Nielsen: No, he did not.

Mr. Baldwin: Mr. Speaker, I submit that the matter can be squarely placed before Your Honour in this way. If the house is called upon to come to a decision on the amendment of the hon. member for Royal, I submit that it is not in any sense of the word a question which Mr. Justice Spence is called upon to make a desicion on under the terms of reference before him. In other words, if Mr. Justice Spence makes a decision or finding in due course following the hearing of the evidence which has been taken, he will not make a decision and keep squarely and properly within the terms of reference if he includes in his findings the issue upon which this house is now called upon to come to a decision.

I submit it is a completely collateral issue. There might well be—and I do not think that Your Honour nor I can be called upon to give an opinion on this—certain types of evidence which go so squarely to the issue with regard to which Mr. Justice Spence is charged that the house might not be able to discuss it. But this is not that type of evidence. I submit with confidence to Your Honour that under these circumstances the issue raised by the hon. member for Royal is one that we are competent to deal with, to debate and vote upon.

Mr. Pickersgill: Mr. Speaker, in reply to the point just made by the hon. member for Peace River I should like your permission to read again from *Hansard* for March 21, 1950, page 949, the ruling made by Mr. Speaker Macdonald. Your Honour adverted to the last paragraph of this ruling in an earlier ruling:

> I would accordingly rule that it is not out of order to discuss transportation problems generally when such matters have been referred to a royal commission. On the other hand, I would also rule that reference should not be made to the proceedings, or evidence, or findings of a royal commission before it has made its report.

I think that my hon. friend, the Minister of National Health and Welfare, has already pointed out that this motion is founded upon evidence given before a royal commission and upon nothing else, and without the evidence given before that royal commission it would have been impossible for this amendment to be moved.

• (4:50 p.m.)

Therefore nothing could be more squarely in contradiction of what Your Honour, if I recall properly, referred to earlier in your previous ruling as the last judgment which a Speaker had made on this precise point, and it could hardly be more precise. On the other hand, I would also refer to the ruling that reference should not be made to the proceedings or evidence, or findings of a royal commission before it has made its report.

The hon. gentleman is not merely referring to these matters but is founding a motion upon the evidence and upon nothing else. He is asking the house to pass judgment on the evidence given before the royal commission and before the royal commission has completed its work, and on nothing else. It seems to me, sir, if we are to have any respect for the rulings of previous speakers, which have always been respected in this house except on occasions when they were clearly contrary to the expressed rules or when the rules had been changed in respect of them, that Your Honour, on the basis of the previous ruling, would have no choice but to find this motion out of order.

Mr. Nielsen: Mr. Speaker, the minister is anticipating a debate which he has not yet had the privilege of hearing. If he is patient and if His Honour will find, as I am sure he will, the motion to be acceptable the minister will be enlightened. What is before the house is an amendment which, if I may be permitted, I should like to read:

> This house strongly deplores and condemns this government's actions in having the R.C.M. Police provide information to the government as to the past conduct of all members of parliament generally, a course of action which would destroy the independence of all members and undermine the institution of parliament.

Even if we were to accept the minister's argument and that of the Minister of Public Works, which Your Honour has already ruled upon, there is nothing here which is sub judice.

Mr. McIlraith: Nobody is suggesting that.

Mr. Nielsen: The Minister of Transport in his argument did suggest it.

Mr. Pickersgill: Oh, no.

Mr. Nielsen: The minister said to the house that this motion must be based upon arguments which in turn must be based on the evidence given at the inquiry. He was anticipating. Even if that were so, there is nothing sub judice about the contents of this amendment. Therefore, on the face of it I submit to Your Honour that the amendment itself must be accepted. Despite the ruling you might come to subsequently upon any future possible points which may be raised in debate, there is nothing sub judice and therefore nothing unacceptable about the motion itself.

I have one more point, Mr. Speaker, and then I will sit down. Your Honour's ruling, as I took it and as I heard it, was primarily based on a ruling given by Mr. Speaker Michener seven years after the ruling which was quoted by the minister. I believe a distinction can be drawn between the circumstances which gave rise to the ruling of Mr. Speaker Macdonald in 1950 and those which surrounded the matter which gave rise to the ruling of Mr. Speaker Michener in 1957.

I wish to point out again, sir, as part of this discussion on the point of order, that a precedent has been set—it is a matter of record—in that in the early months of 1965 matters before a royal commission of inquiry were not only discussed in this house but members adopted strange means of getting evidence before that inquiry through the vehicle of this house. Now, sir, surely parliament is not going to be deprived of its right to discuss a matter affecting, as it does, the very survival of the institution itself by the kind of weak, specious and devious arguments which have been advanced by those opposite.

Mr. Pickersgill: Mr. Speaker, I am sure you will permit me to emphasize the fact that I did not maintain and I am not maintaining that this matter is sub judice, nor did my learned colleague, the Minister of Public Works (Mr. McIlraith), so maintain. We both maintain that the motion and now the amendment were based upon a piece of evidence. Your Honour quoted Mr. Speaker Michener's ruling which, as I recall it, was based on matters which were sub judice. This is totally irrelevant to the point which my hon. friend, the Minister of National Health and Welfare, made and which I was supporting by reading Mr. Speaker Macdonald's ruling to this effect:

> On the other hand, I would also rule that reference should not be made to the proceedings, or evidence, or findings of a royal commission before it has made its report.

There is nothing here about whether or not it is sub judice. This is a categorical statement, and I would suggest that reference should not be made to the evidence and that this motion is founded exclusively on the evidence. Without that evidence there would have been no finding of the kind which was made on this motion. Therefore I say nothing could be more clearly within the terms of the ruling of Mr. Speaker Macdonald.

Mr. Churchill: Mr. Speaker, the Minister of Transport has been reading from *Hansard* for March 21, 1950. In view of the fact that he has read a portion I believe we should look at other portions as well. A point of order was raised and at page 949 Mr. Speaker stated as follows:

> The point raised by the hon. member for Yorkton is, as I understand it, that at the present time a debate should not be permitted on any matter affecting transportation because a royal commission has been set up to inquire into that matter. I take it that that is the point of order raised.

Mr. Stewart, the member for Yorkton, said yes. In the next column Mr. Speaker said:

> I would accordingly rule that it is not out of order to discuss transportation problems generally when such matters have been referred to a royal commission.

So Mr. Speaker made it quite possible for the house to discuss in general terms the question of transportation despite the fact that the subject was before the royal commission. He went on to use the sentence which the minister has read to us. He then stated and again I quote:

> It was a new question for me, and I hope my ruling meets with the general approval of the house.

The Speaker showed considerable uncertainty with regard to a matter which had just recently come to his attention and I notice that he does not give any citations or references such as Your Honour has been able to give to us this afternoon. The only reference given was to Beauchesne, citation 490. I

submit that you have gone much more fully into this question and I believe that Mr. Speaker Michener's ruling and yours today would tend to supersede rather than support the conclusion which was arrived at on March 21, 1950.

Mr. Knowles: Mr. Speaker, I take it that what is now before us is the contention by the Minister of National Health and Welfare, supported by some of his colleagues, that the amendment as moved by the member for Royal somehow contravenes the ruling which you gave earlier this afternoon. I submit that such is not the case and I ask the house to recall the general terms of the ruling which Your Honour gave. Your ruling was that a matter before a commission of inquiry was not beyond the right of this house to discuss. You based your ruling on a study of the authorities and in particular on the judgment of Mr. Speaker Michener. I believe it is quite clear that your general position was that we have the right to discuss certain matters even though they may be under discussion in another place.

• (5:00 p.m.)

Then, sir, you asked the house to have regard to a very narrow point. I believe you used the word "narrow". This point was to be found in Mr. Speaker Macdonald's ruling of 1960. As I understood it, the narow point you were making was that we should not in this place be trying the evidence being given in another place.

An hon. Member: He said "refer".

Mr. Knowles: My friends over there quote what Mr. Speaker Macdonald said. I am trying to interpret what the present occupant of the chair said. As I understood Your Honour, your view was that it would be improper for us to be trying bits of evidence here at the same time those bits of evidence are being tried somewhere else. You did not rule out discussion of matters just because they are being discussed in that other place.

I suggest what the hon. member for Royal has brought before this house is not the question of whether evidence being given in another place is to be examined there or not. What the hon. member for Royal has brought before this house has been a practice, an action, concerning which there is now knowledge in the public domain. It is not only a matter of discussion before the inquiry, it is fully reported in the press. It has not been denied by the ministers opposite. There is no

[Mr. Churchill.]

suggestion that the statement that the government asked the Royal Canadian Mounted Police to provide information is incorrect.

What we are asking, what the hon. member for Royal has asked be discussed is a practice. This is something quite different from trying or assessing the evidence in the way that was dealt with in Mr. Speaker Macdonald's ruling of 1950. I say again, Mr. Speaker, that I think your general ruling was clear and I think it was correct, that this house has certain rights that cannot be abrogated by the reference of a matter to a royal commission. You merely asked that within that general rule we have regard to what Mr. Speaker Macdonald said and that we not try bits of evidence here while they are being tried in another place.

I submit that this amendment does not do that in any sense at all. This amendment deals with a practice on the part of the government, knowledge of which is now part of the public domain. We have a right to discuss that matter in this house. In the light of your own ruling given earlier this afternoon, the amendment moved by the hon. member for Royal is in order.

Mr. Fulton: Mr. Speaker, I add my support to what the hon. member for Winnipeg North Centre has just said and what has been said by my own colleagues previously. Following on from where the hon. member for Winnipeg North Centre left off and along the same general lines, I say that the ruling of Mr. Speaker Macdonald was on a narrow point. What he said was that reference should not be made to the proceedings, evidence or findings of a royal commission. It is clear that what he had in mind by his use of those words in that juxtaposition was matters which were in effect the res gestae before the royal commission.

It is true that as a result of evidence given we now know there was a certain course followed by the government. However, this is not a matter before the royal commission; it is entirely a collateral matter. It is in keeping with Mr. Speaker Macdonald's ruling and certainly in keeping with what Your Honour had said—you have said here earlier that parliament is not to be precluded from discussing a matter simply because it is before a commission of inquiry—that parliament certainly should not be precluded from discussing a collateral matter having no relationship to the real matter before the commission, simply because that collateral matter may have been referred to down there.

If we were to follow that principle, then if any matters were mentioned before various bodies even though they were irrelevant to the issue before those bodies we would be precluded from discussing any number of matters. Clearly what Mr. Speaker Macdonald had in mind was that parliament should not be discussing or even referring to the very matter with which the commission is dealing. Here I come very close to the point to which the hon. member for Winnipeg North Centre was referring. He was referring to the proceedings or findings by a royal commission. There will be no findings by the commission on this matter. It is entirely collateral. I submit this is in keeping with your ruling as well as the ruling of Mr. Speaker Macdonald, and hon. members should be allowed to discuss the amendment moved by the hon. member for Royal.

Mr. Diefenbaker: Mr. Speaker, because reference has been made from time to time to the actual terms of reference, for the purpose of the record the material points in the order in council perhaps should be placed before you. The material portions thereof include appointment of a commissioner, and I now quote in part:

—a commissioner under part I of the Inquiries Act to inquire fully into a statement by the Minister of Justice in a letter dated March 11, 1966 to the Prime Minister, with reference to a case involving one Gerda Munsinger, which was read in the House of Commons on March 11, 1966; into all statements concerning the case in the House of Commons on March 4 and March 7, 1966; and into all statements by the Minister of Justice in a press conference on March 10, 1966, which, among other things included statements about involvement with the said Gerda Munsinger, about failure to seek the advice of the law officers of the Department of Justice, that there were circumstances that may have constituted a risk to the security of Canada and that the case was not properly handled; and to enquire whether the case was handled in accordance with the rules and principles normally applicable to persons having access to classified information, and into all the relevant circumstances connected therewith—

Sir, in all of that there was not one reference or suggestion to the matters referred to in the amendment moved. I am not at all agreeing that if there were the amendment would be out of order. However, I am pointing out that nothing within the amendment was placed before the commission. I continue quoting the terms of reference:

—and in particular but without limiting the generality of the foregoing to consider fully all reports submitted to the government or any member of the government of the day and any evidence laid before them in connection therewith and any further evidence elicited by or laid before the commissioner and to consider such other matters as may appear to the commissioner to be relevant.

There is not one word of reference there to this matter. As has been well said by the hon. member for Winnipeg North Centre, this whole matter is in the public domain. It is now known in every part of our nation. We find, to our great surprise and indeed to our horror as parliamentarians, that the government has elected to use tactics that tyrannize the members of this chamber, tactics that cannot be excused under any circumstances and were not in contemplation when the government, by itself, prepared the terms of reference.

In other words, the government did not include this matter but they do not want us to discuss it in parliament. It shocks the public conscience that the Royal Canadian Mounted Police should be used by the government as its private eye over the lives, purposes and reputations of members of this chamber. It is a shocking situation that the mounted police would be used by the government as part of its tactics to peek into the private lives of members of parliament. It is this to which we are objecting, Mr. Speaker, and in the strongest possible terms. This house has a right to speak.

Mr. Speaker: Order. I was going to inquire whether or not the Leader of the Opposition was still on the point of order.

Mr. Diefenbaker: You see, Mr. Speaker, in order to speak on the point of order I must necessarily tell you what we are speaking about. I was trying to do so in most restrained terms, having regard to all the circumstances. On the basis of your ruling earlier I am sure you will hold that the amendment is in order. It was very obvious that the arguments advanced by hon. gentlemen opposite were advanced with diffidence, realizing that you had brought finality to this matter by your earlier ruling.

• (5:10 p.m.)

Mr. Speaker: Order, please. I wish that a ruling I had made could bring finality to any matter in this house. I have some doubts whether I will ever achieve that. Hon. members realize, as I indicated earlier this afternoon, that to some extent we have a conflict between the precedents to which I have referred. Certainly there is a conflict in the house this afternoon between the authorities cited. It is not easy to reconcile rulings which have been made in the past, but I have expressed

the thought that I believe that as a general rule the principle by which we should be guided is that parliament is supreme, that it is only in extreme cases that we might consider our debates to be limited in some way in light of certain considerations, including the fact that certain questions have been referred to a royal commission.

This principle is in accordance with the authorities I have cited. It is certainly sustained very strongly by the ruling of Mr. Speaker Michener. However, I thought that at that time I should bring to the attention of hon. members the fact that there is a limitation, and a very narrow one, to the general rule that no reference should be made in the course of our discussions to evidence given in any proceeding before a royal commission or inquiry. The reason, of course, is that we would not want to have a parallel inquiry going on in the house at the same time as that now being carried out in another forum.

However, having taken that into account I still believe that the rule to which I referred a moment ago applies, namely, that this type of question is not really sub judice but can be discussed here.

When I made my ruling a moment ago I said that there was much merit to the suggestion made by the hon. member for Peace River that certain decisions or bits and pieces of evidence which come out in the course of a hearing might not be of the essence of the matter which is before a royal commission or inquiry, and because of this we should not be precluded from discussing certain matters. I do not want to reduce this to the absurd but, for example, if in the course of his evidence a witness said that it was raining or was not raining we could not come to the conclusion that we could not discuss the weather in the House of Commons. In other words, there is a limitation in this regard. We cannot eliminate from our discussion in the house any evidence that is presented before a commission.

In my opinion the type of subject matter contained in the amendment presented by the hon. member for Royal is collateral to the main issue. It does not refer to the essence of the evidence but rather to knowledge, acquired from evidence, of what is considered to be a collateral issue, namely, the manner in which certain information was given by or obtained from the R.C.M. Police.

When there is doubt in the mind of the Chair I believe there is an obligation on the part of the Speaker to give the benefit of whatever doubt there may be in his mind to the hon. member who wishes to discuss such a matter in this chamber. On the basis of the authorities I have quoted this afternoon and on the basis of further evidence presented for my consideration by hon. members who have taken part in the discussion on the point of order raised, I feel that the amendment is in order and should be accepted.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to say to the house that we in this party intend to support the amendment presented by the hon. member for Royal (Mr. Fairweather). We do so because we share with every person who believes in parliamentary democracy a very grave sense of disquiet over what has been revealed in the last few days and has now been made the subject matter of this motion.

It would appear, Mr. Speaker, that police reports of a confidential nature gathered, we presume, for security reasons have been used, threatened to be used, sought to be used or made available to be used, against members of parliament, not for police or security purposes but for political purposes. If this is so, Mr. Speaker, it reduces our police system to the point where we have political police, and this is something we should stand up and oppose as vigorously and firmly as we possibly can.

Every member of this house knows that in an era of cold war or total war it is inevitable that some things happen which we would rather did not happen. One of the things which does happen is that acts of espionage and sabotage are committed, against which it is necessary that the sovereign state protect itself. One of the instruments the sovereign state must use is a police force which collects confidential and secret information and maintains files or dossiers on public men. We do not complain, Mr. Speaker—I think least of all can anyone in public life do so—about the proposition that police who are charged with the responsibility of maintaining our security should keep dossiers or records on individuals.

We are all very conscious of the fact that these dossiers must of their nature include much that is gossip, much that is unverified, much that is perhaps even false and malicious fabrication. The duty of the police who are charged with this responsibility is to collect unreliable as well as reliable information and to sift it out.

As a result of the era in which we are living the weapon of blackmail can be used

in a cold war and details concerning personal weaknesses or aberrations, normally completely irrelevant in public life, may be collected and put into a file. The private aberrations of individuals may affect their public responsibility. This is a matter which cannot be helped. But the very fact that police files may contain derogatory and often inaccurate information about individuals is precisely the reason they should not be used, should never be made available to be used, and should never be sought to be made available to be used for purposes that do not affect the security of the state.

As members of parliament we are not freed from the obligation of accounting to the law. If charges are to be made, of course, any files relating to us ought to be revealed as in any other case. We are not in any sense above the law. But what we do have the right to insist on, Mr. Speaker, is that information of this nature collected in confidence for security purposes should not be used, particularly by governments, to strike back at opponents even when governments are suffering from political criticism. Such a proposal is utterly intolerable in a democracy. Criticism in this house may be and often is harsh and sometimes unfair. However harshly and however unfairly one is criticized, one has absolutely no right to use confidential police dossiers for the improper purpose of striking back or threatening to strike back at individual members in this house.

• (5:20 p.m.)

What are the circumstances surrounding the matter we are discussing? In November, 1964, the present administration was under bitter attack. The hon. member for Yukon (Mr. Nielsen) had revealed an attempted bribe by an executive assistant to one of the members of the government and also the possible implication in the matter of the then Parliamentary Secretary to the Prime Minister. Another cabinet minister was under suspicion of influence peddling for which he has subsequently been convicted.

The Prime Minister was naturally hurt by revelations of this sort affecting people he trusted. Under those circumstances, for him to ask the Royal Canadian Mounted Police for reports on his own colleagues was both natural and proper. But, Mr. Speaker, when he went further and asked for files and information on other members of parliament of all parties relating to any misconduct or scandalous matter over the past ten years, I suggest, if this is a fact—unfortunately we have no explanation of this matter at the moment—that the Prime Minister was yielding to the ugly mood of the moment, the mood of counterattack by improper methods. If this was his purpose, and so it appears, in our submission he was demeaning the function of the Royal Canadian Mounted Police to that of a political police force. I do not think there is any point in labouring this matter at great length. The proper functioning of parliament and of parliamentary democracy is based upon the mutual respect of persons and groups in parliament. We have political differences. I hope we shall continue to have them. We have political parties with different principles. But, Mr. Speaker, I suggest that basic to the functioning of our party system is this mutual respect of persons and groups in parliament. It is the erosion, the wearing away, of this mutual respect that in my view threatens to paralyse parliament and discredit democracy. When confidential police reports are sought for the purpose of possibly being used or threatened to be used against hon. members of this house, which seems to me an utterly improper purpose, then we believe that democracy itself is in danger.

The people of Canada, Mr. Speaker, urgently hope that his parliament can get down to doing the business for which it was elected, that of legislating in the interests of the people of this country. It is our duty, no matter how painful it is, no matter what respect and affection we may have for some members of this house, including the Prime Minister against whom these remarks are directed, to stand firm on certain principles. One of the principles of this house and of every parliamentary institution, I suggest, is that secret police reports shall not be used or threatened to be used against anybody. If anybody wants to make a charge let him make that charge in the courts and have it dealt with in that way.

Matters affecting the privileges of members of this house must be brought out openly. It is intolerable that this house should be under the cloud of the sort of suspicion and counter-suspicion that presently exists. It is intolerable that R.C.M.P. files should be used for such a purpose.

I have even heard of immigration files being used. It is intolerable that people such as myself, who act in immigration matters, should have the files in such cases looked into to see if there is anything discreditable in our professional conduct in connection with such a matter. It seems to me reasonable to think

that something of this sort is going on, because people have given me information and I do not know where else they could have got it but from the confidential files of the immigration department. I had no complaint to make in that case because nothing further came of the matter, and there was nothing discreditable in my conduct. But the atmosphere was discreditable, Mr. Speaker. The atmosphere of "We can find out something about you and maybe this will silence you, maybe you will not be so critical," was discreditable.

I say that members of this house should be free to criticize without fear that some matter affecting their personal reputation, other than a proper accusation of crime or misconduct, will be brought up. Matters of a scandalous nature ought not to be made available to any member of this house on the government side or elsewhere.

We feel strongly about this matter, Mr. Speaker. We do not want to take part in this debate in any tone of partisan bitterness. For myself I hope that the Prime Minister will come forward and give and explanation satisfactory to the house. I asked a question in the house last Friday. I did not do so in order to make a score off the party to which I happen to be opposed. I asked the question because I wanted some sort of explanation made to the house as to something which it seems to me strikes at the freedom and fundamental dignity of the members of this house.

It is for this reason, Mr. Speaker, that I for one and other members of this party will support this amendment.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I am very pleased to have the opportunity to support the amendment put forward by the hon. member for Royal (Mr. Fairweather). I can assure you, sir, that I am going to deal with the principle that has been raised in the amendment, namely, the violation of the rights and privileges of private members in this house. I shall tie that in to the tactics that have been referred to whereby the R.C.M.P. has been used to investigate the background and past activities of hon. members for the sake of personal persecution, blackmail or for whatever the purpose might be.

I think the hon. member for Royal has established the debate on a high level in dealing with the obvious difficulty that we are confronted with in this parliament. The destruction of parliament's prestige and the criticism of the parliamentary process in the press and other news media of the nation are closely connected with the events that have been referred to by the hon. member for Royal and the hon. member who has just resumed his seat.

[Mr. Brewin.]

I am going to try to bring some concrete information before the house which I think will pinpoint in specific terms the need for raising this question as a matter of confidence at the present time. Many hon. members have been disturbed by current trends. A few have become personally involved, and I have been one of those. I think, Mr. Speaker, that as I refer to the incidents in my own particular case it will be agreed and it will be concluded by my colleagues in this house, particularly the private members, that at the present time we have a reasonable grievance.

Two years ago in December, 1964, I had occasion to take part in a C.B.C. radio broadcast. At that time I dealt with a subject that was exercising the minds of a good many members of the house as well as of citizens across the country. I dealt with the subject of morality in politics. This, incidentally, has been described by the hon. member for Royal as the principle that he is trying to get at in his amendment this afternoon.

I thought that I dealt in reasonable and moderate terms with the subject of morality in politics, which I think all hon. members will agree was topical then and is still topical at the present time. However, notwithstanding the reasonableness of my approach on December 14—the broadcast took place on December 11, 1964—I received a letter from the Prime Minister very bitterly upbraiding me for the manner in which I had downgraded the parliament of Canada.

• (5:30 p.m.)

Although this letter has been tabled in the house, no reference has been made to it in detail, and perhaps if I were to read it at this time it would indicate the tone to which I refer.

Dear Mr. Dinsdale:

I have been trying—without success—to secure from your office a copy of your Nation's Business broadcast of December 11th. However, I have received a transcript from the C.B.C. which confirms that you said this:

"Today, too, we find the nation rocked by evidence of lack of integrity in high places in government."

This is a serious charge to be made against men in high places in government. It becomes the more serious when made by a Privy Councillor.

Will you, therefore, let me know what evidence you have to support this charge?

Yours sincerely,

L. B. Pearson

I replied the next day by a letter dated December 15, 1964:

Dear Mr. Prime Minister:

I was sorry to learn by yours of December 14 that you had not been able to obtain a copy of my Nation's Business broadcast on December 11. Unfortunately I do not make a practice of circulating a speech other than providing Canadian Press with a copy.

It is quite true that I referred to a lack of integrity in high places in government. If you refer to the copy of the transcript you received from the C.B.C., you will find that I based this squarely on your own action of writing a letter to your Ministers outlining a code of ethics. This suggests that you yourself have become disturbed over the matter.

In case you have not been able to follow public reaction as indicated in press reports from right across the country, I am taking the liberty of enclosing a summary that has come to hand.

Perhaps I might digress for a moment to refer to some of this material, first, to an article written by Mr. Claude Ryan in *Le Devoir* of November 27, 1964. It uses a phrase which has become well established in the knowledge of the general public. The article reads in part as follows:

In any case, the facts reveal a grave lack of communication within the government. They seriously shake public confidence in Mr. Pearson. We are witnessing the explosion of the old Liberal garbage can in Montreal. Sordid stories have been accumulating for months. Mr. Pearson will pay dearly for the blunder he committed in giving his confidence to a clique against whom he had been duly warned.

In the same letter I referred also to an article in the Hamilton *Spectator* of November 28, 1964, which came to the same conclusion in the following words:

The Department of Justice is now under a heavy shadow. The first demand should be less for the resignation of a minister than a blunt facing by Prime Minister Pearson of this grave challenge to integrity in his government, and an immediate and exhaustive inquiry.

The Winnipeg *Tribune* of November 27, 1964, had this to say:

While Ottawa rocked with the latest dramatic move in the bribery-coercion case this morning, Prime Minister Pearson relaxed in dressing gown and slippers at the farm home of his brother-in-law at nearby St. Norbert.

So in my reply I substantiated the claim that there was disturbance across the country over these matters. To continue with my letter, I wrote:

The fact, too, that your own parliamentary secretary found it necessary to resign also casts a shadow of suspicion in high places.

It is precisely because I am a member of the Privy Council that I felt duty bound to express this opinion.

Unhappily there is far too great a reluctance in Canadian government circles on the part of active Privy Councillors to resign from positions of public trust when actions have been severely criticized. This is in decided contrast to the policy in the United Kingdom where cabinet ministers resign at the slightest suggestion of dereliction in duty.

I appreciate your taking the time to write to me on this matter. It does provide me with an opportunity to place my comments in the proper perspective.

Yours sincerely

The Prime Minister's letter was written on December 14, 1964. It will be recalled that on the same day or more precisely in the early hours of the following day we had the final vote in the flag debate. I believe that vote was taken at about 2.15 a.m. in the morning of December 15. It was an exciting moment in the life of the last parliament, as those who took part will recall. As I was leaving the chamber I was accosted by a member of the administration, the Minister of Fisheries (Mr. Robichaud). He asked me why I was looking so gloomy and I indicated I did not see anything to be very happy about on that occasion. He then told me I would look a lot gloomier when they exposed something they had on me. I began to search my conscience to see—

Mr. Robichaud: Mr. Speaker, a question of privilege is involved in an accusation of that kind. I should like the hon. member to repeat exactly the words I used at that time. I did ask him if there was any truth in the rumours to that effect.

Mr. Churchill: Just a veiled threat.

Mr. Diefenbaker: The rumour government.

Mr. Robichaud: I did not make any statement in public. I asked personally the member concerned.

Mr. Dinsdale: The hon. member said he had something on me and that I would be hearing about it in due course.

Mr. Robichaud: That is not so.

An hon. Member: Just a rumour.

Mr. Robichaud: Tell the truth.

Mr. Dinsdale: I discussed this with several of my colleagues at the time and I was told

not to be too concerned. I thought it was in connection with my vote on the flag issue. They said: Surely feelings will not be carried to the extent of wreaking vengeance against a member of the house for the stand he took on a particular issue. But it was more than coincidental, I would think, that the two incidents occurred on the same day. It would suggest there had been discussion going on in cabinet circles involving certain members of this house.

Nothing further was heard until early in the new year a series of questions appeared on the order paper involving a certain citizen in the city of Brandon who was concerned with the Chinese immigration investigation. It surprised me that these questions were presented not by a member who had been in the house for a long period—

An hon. Member: Nor by a minister.

• (5:40 p.m.)

Mr. Dinsdale: Nor by a minister. The member concerned, the hon. member for Hamilton West (Mr. Macaluso), had not even been in the house while the Chinese immigration investigation was under way. But the questions remained on the order paper for quite some time, and it was not until March 4 of the following year, 1965, that I came under direct attack in the house by the then minister of justice. I replied to the charge on March 5, 1965, because I was not present in the house on March 4, being engaged in delivering a speech in the city of Montreal on the day when the accusation was made.

Mr. Nielsen: Where did the backbencher get his information?

Mr. Dinsdale: This is what I am leading up to, I assure the hon. member for Yukon (Mr. Nielsen). We had to take the situation as it developed at face value and, as I have already intimated, I wondered why the hon. member for Hamilton West, who was not present in the house at the time the events took place, was the one who placed these questions on the order paper.

As a result of the attack in the house several stories appeared in the press, and I think I can best summarize the matter in the words of the story which appeared in the Toronto *Star*, written by the late Norman Phillips, one of the highly respected members of the press gallery. The headings of that story were: "Under Attack For Liberal Scandals They Dir For Tory Scandals" and "Politics—Ottawa Style." The story read as follows:

The Buddy Leeds' case is the story of a Chinese restaurateur, an angry Prime Minister, and a misguided Minister of Justice. It could be subtitled: Politics, Ottawa Style.

The moral was provided by the Prime Minister one vexing December day before he even knew the Chinese restaurateur existed.

In an uncanny coincidence, Mr. Pearson quoted Confucius: "He who digs dirt loses ground."

The Prime Minister was angry on December 18 because a few days previously an inoffensive Conservative ex-minister named Walter Dinsdale had gone on T.V. with some pious pronouncements about the lack of integrity in high places.

Mr. Pearson's immediate reaction was to write a letter challenging Mr. Dinsdale to produce evidence or make a specific charge.

As I already intimated, I replied immediately to his letter, and I should point out that in a later exchange the Prime Minister denied receiving my reply and I had to send him an additional copy. But that is incidental to the main theme. I continue to read the Norman Phillips article.

Ever since the Conservatives had unearthed the alleged $20,000 bribe offer from a government executive assistant and had forced the setting up of the Dorion inquiry, the Liberals had been digging frantically through the files for instances of Conservative wrongdoing.

The search yielded a letter written by Mr. Dinsdale on August 17, 1960 on behalf of a Chinese constituent, Yuen Bak Lee. A popular figure in Brandon, Manitoba, where he runs the Litchi Gardens on Princess Avenue, he is known to local citizens as Buddy Leeds.

Mr. Phillips very fairly reviewed the whole case and dealt with the part played by the hon. member for Hamilton West in the affair. Then he moved on to the next important step in this whole plot on the date already referred to, March 4, when the then minister of justice launched a personal attack against me in the following words, and I am quoting the Phillips story:

"I will call attention to one forgery case," Mr. Favreau began, "where a charge was made and a parallel case of conspiracy instituted—the case of Buddy Leeds."

He read from the Dinsdale letter and explained the charge had been withdrawn, one year later. The inference was that there had been political interference with the course of justice.

"There have been other cases," Mr. Favreau said ominously. "There have been a few, quite a few."

The use of the Dinsdale letter was quite out of character for the embattled justice minister, who has a reputation as an eminently fair man.

He attacked Mr. Dinsdale on a day when the latter was not in the house to defend himself.

As Andrew Brewin, (N.D.P.-Greenwood) put it: "I think the Minister of Justice does himself no good by calling the kettle black, if that is what he was trying to do."

Mr. Dinsdale was back in the house yesterday with a long-winded self-justification involving the amnesty granted Chinese Canadians who had infringed immigration regulations.

In fact, his letter was similar to ones that 99 out of 100 M.P.'s write for their constituents.

An outraged Douglas Fisher (N.D.P.-Port Arthur) moved to block any further snooping into government files and planting of embarrassing questions.

Back in Brandon Buddy Leeds probably wondered what had caused him to become a subject of parliamentary debate for two successive days.

And students of Confucius began searching his sayings to see whether he had ever linked the black on the kettle with the dirt that was dug.

He did say: "High moral conduct along the Golden Mean is indeed supreme form of such conduct. For a long time, however, few among the people have been capable of it."

The point I want to raise, Mr. Speaker, is the reference Mr. Phillips made at the start of his article when he said:

Somewhere in the Liberal administration a decision was made to punish Mr. Dinsdale for his effrontery.

I also want to point out that it went much further than myself because the then minister of justice in his personal attack on me said:

There have been other cases. There have been a few, quite a few.

This leads up to the present situation. We wondered who had initiated the witch hunt, as I have referred to it from time to time in the house. We wondered how the backbenchers in the Liberal party were able to get hold of information not only concerning myself but others. I received a clue when the hon. member for Hamilton West in defence of his action, as recorded at page 11,962 of *Hansard* for March 4, 1965, said:

I wish to state that my interest was not directed specifically toward the Chinese immigration problem—

I think that is true.

—and I have very many friends of Chinese origin in my constituency and in other areas—but was raised because of certain information I had received and because of certain pious statements which were made by the hon. member for Brandon-Souris. I assure the hon. member that there was no intention on my part to create any—

• (5:50 p.m.)

He was interrupted by laughter at that point. Obviously the house was not convinced that the hon. member was making a legitimate point, but he said it was because of certain information he had received.

In the intervening months we have wondered what the source of that information might be. It now would appear—and this is the basis of the amendment before the house—that it was the Prime Minister himself who instigated what can only be described as a witch hunt in requesting, as has been revealed, confidential information from R.C.M.P. files going back over a period of some ten years. It would appear that this was a deliberate act. At the time of the accusation against me the then hon. member for Port Arthur, Mr. Fisher, was almost persuaded to move the same motion which we have before the house this afternoon.

If the institution of parliament is going to be preserved, I think it is high time some action is taken on this subject. We have had since that time a book written by Mr. Richard Gwyn, a member of the press gallery, entitled "The Shape of Scandal". In that book Mr. Gwyn has many interesting observations to make in respect of the scandals which emerged during 1964, and obviously it would seem that it was the spirit of revenge which gave rise to the witch hunt under way at the present time.

One passage which I think is significant is found on page 157 of the book, "The Shape of Scandal". It reads as follows:

Unlike Diefenbaker, who served as a lightning rod for all criticisms of his government, Pearson's style has been to shift blame away from his own office.

I think that was meant to be an apology for the present Prime Minister. I think it is most revealing, however, in the light of the information which just has come to hand. I feel, on the basis of the evidence I have endeavoured to put before the house this afternoon, that what has taken place in this parliament over the past several months is not designed to encourage the progress of the new politics which has been piously referred to from to time by members of the opposition, and I use the word "piously" advisedly.

Mr. Starr: You mean by the members of the government.

Mr. Dinsdale: Yes, members of the administration. I feel that the whole strategy began in the year 1962 with an attack led by the Prime Minister and reported in the Toronto *Star* of September 19, 1962, under the heading "Won't Ease All-Out Attack Until P.C.s Fall—Pearson". The writer on this occasion was Mr. Hyman Solomon. His article reads as follows:

Liberal leader Lester Pearson last night began an all-out, pre-parliament attack on Prime Minister Diefenbaker and promised his attack would not cease until it tumbled the Conservative government.

The Liberal leader flayed Mr. Diefenbaker for his "deplorable display" at the London Commonwealth meeting, and promised to introduce a vote

of non-confidence in the government at the first opportunity in the coming parliament.

The article goes on:

Charged Mr. Diefenbaker with 'complete contempt of Parliament" for not convening Parliament as soon as possible after the election and with a crucial Commonwealth conference facing the leader of a minority government.

I should like to pause, Mr. Speaker, to remind hon. members of what took place in Canada last fall with regard to the calling of parliament. Another charge was:

Claimed that Mr. Diefenbaker's plea for a cooling off period following the election had resulted in "wasted weeks" after "wasted years".

He went on generally to outline the charges that became all too well known during the 1962 election. This was an election in which any tactics were used such as "Diefenbucks" and all the other gimmicks of propaganda in order to do precisely what is indicated in that headline—"Won't Ease All-Out Attack Until P.C.s Fall". That attack, of course, continued in the House of Commons.

I go now to the words of Mr. Claude Ryan to bring these remarks to a conclusion. Mr. Ryan always has been a responsible editorial writer. In the light of what has been taking place in this house, when the Munsinger affair was launched on parliament and on the people Mr. Ryan had this to say, as found in a newspaper report on editorials written by him, the report being headed, "Pearson, Cardin Urged to Resign":

By his own hand he has destroyed the myth that he once created around his name. There is now nothing left for him to do but to draw the ineluctable conclusion.

Notwithstanding remarkable talents and his long experience in public affairs, Mr. Pearson has revealed himself to be inept to govern.

During the last few months he has taken several deplorable decisions over which he later must have chewed his fingernails. In less than two years he has burned out at least half a dozen collaborators of top standing.

On serious occasions he has displayed a staggering lack of courage and solidarity. Nobody can feel secure any more under his leadership.

That was Mr. Ryan's editorial comment. I can understand why the Prime Minister was so exercised by the remarks I made over the C.B.C. on December 11, 1964, but I do not think it is in the interest of preservation of our parliamentary system for the Queen's first minister to use tactics which, as has been described in the amendment, bring the R.C.M.P. into the role of political police in order to bring hon. members of this house into discredit.

[Mr. Dinsdale.]

My own experience has been recited here this afternoon to indicate that the Munsinger affair is just one of a series of episodes which are largely responsible for so badly poisoning the atmosphere of parliament that we now are faced with a situation across the country where a good many people question the institution of parliament as being a proper method of ruling the country. I should have brought into the house this afternoon the letters I have from my constituents which consistently harp on the theme, what has gone wrong with parliament? This is the question I was endeavouring to answer as I spoke to the people of Canada in a radio broadcast on December 11, 1964. I will conclude my remarks by reading one paragraph:

● (6:00 p.m.)

There was a time, not so long ago, when Canada, secure in her internal serenity, a serenity based on a spirit of good will and tolerance, looked askance at the racism, rioting, and all the other indices of social and political confusion in other parts of the world. Now, it would appear the poisons are seeping through the Canadian body politic and we too have become a sick society.

It is for this reason that I heartily endorse the amendment put forward by the hon. member for Royal.

Mr. Knowles: On a point of order, Mr. Speaker, I wonder whether I might ask the house, and in particular the Acting Prime Minister, if it would not meet the wishes of the house to agree to take a supper adjournment this day?

Some hon. Members: Agreed.

Mr. Starr: This is agreeable to us, Mr. Speaker, and for the course of this debate. May I therefore extend that suggestion to include tomorrow?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Order. Does the house agree that during this debate, that is, for today and tomorrow, the period from six o'clock to eight o'clock shall be considered as the dinner recess?

Some hon. Members: Agreed.

Mr. Peters: Indefinitely.

Mr. Deputy Speaker: It is so ordered.

Mr. Kindt: Mr. Speaker, may I call it six o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: the hon. member for Skeena (Mr. Howard), Privileges and Elections—inquiry as to presentation of first report of committee; the hon. member for Winnipeg North Centre (Mr. Knowles), Public Service—superannuated federal employees—request for increased pensions; the hon. member for Kootenay West (Mr. Herridge), External Affairs—mainland China—possibility of recognition.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

The house resumed consideration of the motion of Mr. Sharp for committee of supply, and the amendment thereto of Mr. Fairweather.

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, in the eight years that I have been a member of this house and of parliament, I have never before risen to speak on a question which was more vital to the individual members of this house, to the dignity of parliament and to all that this stands for, than the present amendment to the resolution. It aims directly at the cause, and the cause is that the Prime Minister asked for the files on a number of individual members. What for? It is clear to anyone that the motive was political revenge. The protection of national security, past, present and future had nothing to do with it—or very little at any rate, giving the Prime Minister the benefit of the doubt. What he had in mind was to find something with which to strike back at the hon. member for Yukon (Mr. Nielsen)—in other words to try to silence the opposition.

• (8:10 p.m.)

Well, I can assure the Prime Minister and other members of the government that before this debate is over they will rue the day the Prime Minister ever took this type of action.

After he received these files from the R.C.M.P., I do not know what he did with them—let us assume that he examined them. But he had them for roughly 16 months and then the R.C.M.P. had to ask for them back. Well, if there was anything in them of a security nature, surely the Prime Minister would have asked the R.C.M.P. to take action. In my view, and I say this in all seriousness, if anything of a security nature should be found against a man who is elected a member of parliament, who enjoys the trust of the people he represents, surely the government or the R.C.M.P. or the people in power are justified in giving him the works. We have to preserve honesty, integrity and dignity in this parliament. No wrongdoing can be condoned. If such a case comes to light it is the duty of the R.C.M.P. to present to the government the file relating thereto. I submit it is not the duty of the Prime Minister to ask for the files of members of parliament, placing those members in jeopardy and holding such files like a bucket of slops over their heads which he might pour on them at any time. This is not the type of conduct that any government should condone, let alone the Prime Minister. I am certain that the purpose behind the action of the government was to create a witch hunt so as to try to find something to pin on somebody and expose them to public scrutiny; and this is the method they chose to do it.

As I said before, I do not know why the government was not able to find something on somebody. At one time I was covered for security and had access to secret files that others had not, through this was not in Canada. I found some things, and things were shown to me which were more or less of a hearsay nature, and doubtful. I imagine that all files contain matters of that nature. But to bring these people before the bar of justice or to cast suspicion upon them is absolutely wrong. When no wrongdoing is proved, then nothing should be done.

I would imagine this was the attitude the Prime Minister took after looking at these files; otherwise he would not have kept them for 16 months without doing something. Something is wrong somewhere. There is a nigger in the woodpile, and before this debate is over I hope we will put our finger directly on the problem. In my view the problem lies directly on the desire of the Prime Minister and his government to find something to pin on the opposition and secure a certain degree of revenge.

It may be that when the Prime Minister—or perhaps it was some of his assistants, I do not know—looked over these files he found Liberals with some kind of record and did not want to bring them forward. I think we should know about this from the Prime Minister. I am sorry he is not here; I am also very sorry to learn he is indisposed with a cold. It is unfortunate that this matter should come up at a time when he is not in his seat, because it is he and his government who are the ones on trial. Beyond that, there is no question but that this parliament, in the eyes of the people, is on trial. Parliament has a certain dignity, or it used to have. But dignity it should have, and if hon. member in the government and elsewhere conducted themselves as they should vis-à-vis other membrse, it would still preserve its dignity.

I was very much embarrassed last night, on listening to the program "This Hour has Seven Days", to hear the House of Commons referred to as the common house by one gentleman taking part. That might be all right for a laugh for some people, but it is something that should not be perpetrated by the press or others. This house is for dignified people and, above all, it must be kept that way if we are to maintain the respect of the nation and fulfil our parts in the function of passing laws for the guidance and government of the people.

The action of the Prime Minister is merely a symptom of what is wrong with this parliament. The root of the problem is the weakness of the government. It has to resort, in seeking some revenge, to asking for files on Liberal members, N.D.P. members, Social Credit members as well as Progressive Conservative members. Resort to those tactics certainly indicates that something is wrong with the present government. The only thing you can do with a weak government like the present one is to toss it out, because there never was a weaker government in office in the Dominion of Canada. All you have to do is to talk to the people; they will tell you the same thing.

No longer does this government, Mr. Speaker, hold the confidence of this house. Neither does it hold the confidence of the people. It is high time for them to make amends, go before the electorate and let the electorate decide on what action to take. For this reason I would therefore support the amendment to the motion before the house.

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

[Mr. Kindt.]

Mr. Kindt: I shall answer all questions when I have finished, and I am almost through. As I said before, the thing to do is to support this motion and throw out the present government in view of the tactics which have been used by the Prime Minister. Let the people decide on the type of government this country should have. The time is ripe, the ground has been prepared, and the way has been paved by the actions of the Prime Minister. No other course of action seems logical at this particular stage of this parliament.

Mr. Orange: Mr. Speaker, may I ask a question of the hon. member who has just sat down. During the course of his speech he brought out the fact that perhaps this nation is prepared for a general election. I would just like to know in my own mind whether that is exactly what he said—that if this amendment does go through we should have a general election in the country at this time?

Mr. Southam: If this amendment goes through you will have nothing to say about it.

• (8:20 p.m.)

Mr. Kindt: I was going to say the very same thing before the hon. member interjected that remark. I do not say we would have to have an election, but it may be the only way to get rid of a government of this kind, a weak government such as we now have in power. There may be other alternatives, but a last resort may be to have another election. The people are fed up with elections and I hesitate to think about another election. However I will say this, that the people would be more willing to have another election than they would be to tolerate any more nonsense or weakness from this particular government.

Mr. Orange: May I ask a supplementary question?

Mr. Deputy Speaker: Order. The hon. member has posed his question. The Secretary of State for External Affairs.

Hon. Paul Martin (Secretary of State for External Affairs): The hon. gentleman who has just taken his seat will not misunderstand me if I do not follow his line of thought and if I seek to establish a basis for the discussion for the remaining part of this debate which, I think we will all agree upon reflection, should govern our consideration of a matter of such importance. The Leader of the Opposition

(Mr. Diefenbaker) and I are among those who have been in this house the longest. I must say that I had thought the question put the other day by the hon. member for Greenwood (Mr. Brewin) was out of order. I had thought also, though I must have been mistaken, that the present amendment, on the basis of our rules and practice, was likewise out of order. However, Mr. Speaker, who so obviously has the confidence of everyone in this house, has ruled otherwise. Of course we accept his ruling without reservation.

The Leader of the Opposition has made a number of speeches in which he sought to indicate to the Canadian people what parliament is. I must say that with a lot of what he has said in that regard I cannot find myself in disagreement. I think one of the most salutary consequences of this parliament is that in Mr. Speaker we have someone who unquestionably enjoys the confidence of every member in this house. On the basis of long experience in this house, I suggest this will prove to be a vital factor in the preservation of this parliamentary institution.

Now, I have risen at this time because I could not sit in my seat and hear the Prime Minister (Mr. Pearson) attacked, and not offer some explanation, first of all for his absence and, second, to indicate as reasonably and as fairly as I can what I believe should be the governing factors in the consideration which we give to this matter at least until he has an opportunity of taking part in our discussions. The Prime Minister is absent because he is suffering from a 'flu condition, but he hopes to be able to be here tomorrow.

In order that there will be no misunderstanding, I may say his condition is not a serious one but his doctors did not think it would be wise for him to be here today. He will be here tomorrow, and he wishes to take part in this debate to explain what he believes to be the interpretation of a situation that has been described by someone else in the inquiry that is under way. I have thought it would be worth while to say that it must be clear to all of us that the amendment we have been discussing this afternoon is obviously not based on fact. The most that one can say at this stage is that the argument has been based on assumptions.

The hon. member who has just taken his seat spoke about files. I do not recall any reference being made to files. I may be wrong in this regard, but it seems to me in a matter of this importance none of us will consciously want to be loose or imprecise in the use of words, because of the implications involving what is basic in this amendment, that is the protection of the individual rights of members of this house, just as we would be jealous of the protection of the individual rights of any Canadian citizen.

Am I wrong in suggesting that this amendment, moved by an hon. member for whom all of us have a high regard, is an amendment that assumes a certain conduct without finding out if the assumption is correct? It is an amendment based on a one-sided interpretation of events, as they are presumed to have existed. I do not know whether or not they do. This amendment assumes that the Royal Canadian Mounted Police were asked to provide information on the past conduct of members, without limitation as to time. Is that a correct assumption? Are these the facts? Some hon. members have been participating in this debate as though this were, in fact, the true situation, without having had an opportunity of hearing from the Prime Minister, who is alleged to be the author of the remarks attributed to him by a third party.

I suggest that if we have confidence in this parliament—and I am one who has confidence in this institution—surely the facts ought to be ascertained fully before deploring and condemning. The amendment and the assumptions are remarkable because they derive from information at an inquiry, without waiting for that inquiry to be completed. Why is it so urgent to make the assumptions without waiting for the hearings to end? Why is it so urgent that parliament cannot wait until it has the views of the commissioner, and all the facts, before deploring and condemning.

An hon. Member: We know what he will say.

Mr. Martin (Essex East): I do not know what that interjection was, but I think what I have said is based on ordinary principles of justice as we understand them and as we generally seek to practise them in this country.

Mr. Peters: We never went into this file business before—at least, I hope we did not.

Mr. Martin (Essex East): That is the very argument: Have we gone into them.

Mr. Orlikow: The commissioner went into it.

Morality in Government

Mr. Martin (Essex East): I ask, is it possible that we want to condemn the Prime Minister before the facts can be established. Apparently we are asked to pass judgment before the case is over.

• (8:30 p.m.)

Mr. Diefenbaker: May I ask the minister a question?

Mr. Martin (Essex East): Yes.

Mr. Diefenbaker: Does he doubt the truthfulness of the commissioner of the R.C.M.P.?

Mr. Martin (Essex East): My right hon. friend knows the answer that I will make to that question. I have every confidence in the R.C.M.P. But I do want to understand what is the explanation of the circumstances about which the commissioner commented the other day. I want to understand exactly what the man to whom are attributed the words had in mind. That, I think, is only fair.

I am sure that no one in this house would respect me if, after listening to this debate, occupying the position in the government that I do, sitting with the Prime Minister —who, by the way, is ill at the present time—I did not rise and at least put these questions to the house which I think any fair minded man would expect me to do, and which is the proper thing for me in the circumstances to do.

We in this house do not all agree on questions that divide us, in terms of our respective programs. We have our controversies. But, no matter what anyone thinks of the Prime Minister, does anyone really believe that the present Prime Minister of Canada is the kind of man who could possibly undertake the kind of course that is suggested and that is implicit in this amendment?

An hon. Member: What did the commissioner say?

Mr. Martin (Essex East): I am trying to deal with this matter as reasonably as I can, in the absence of the Prime Minister. I ask again, does anyone really believe that the present Prime Minister of Canada is the kind of man who would undertake to deal with a situation like this in the way which is suggested in the amendment before the house?

An hon. Member: No.

Mr. Martin (Essex East): Does this accord with his reputation?

An hon. Member: No.

[Mr. Orlikow.]

Mr. Martin (Essex East): Is he the type of man who would do what the assumptions indicate?

I say, as one who has known him long before I came into this house, this is not in accord with his past conduct, either as a diplomat, as a minister, as Prime Minister, or as an individual. That is the opinion I am sure of every hon. member in this house. His record, surely, has been concerned with individual rights, and not with the destruction of the rights of individuals. There has been criticism about his conduct in the Spencer case.

An hon. Member: That was quite justified.

Mr. Martin (Essex East): We all know what was behind the attitude he took in that case. He did what he did because he had a deep regard for individual human rights and was very greatly concerned that there might have been an infraction of those human rights.

Mr. Diefenbaker: After how long?

Mr. Martin (Essex East): I happen to know something about his attitude in the matter, and I can say this without fear of contradiction: that there was no one in this house more anxious than was he to make sure that no act of his government was in any way infringing unduly on the rights of the individual concerned. I cannot believe that anyone in this house really and sincerely believes that the present Prime Minister would deliberately embark upon a course to affect the rights of individual members of this house.

The revision of our security procedures, long before this matter arose, has been a concern of his. He had every reason to be deeply concerned at a time long before he was Prime Minister of this country. His concern, for instance, for the right of collective bargaining in the civil service is based upon his concern for the rights of the individual.

I do not expect that anything I have said will bring this matter to a conclusion. I did feel tonight, during the dinner hour, because he could not be here, because he has been the object of the attacks, that I owed to him, because of my belief in his integrity and good intentions at least to ask this house to wait until an explanation of the facts had been given. I have enough confidence in my fellow members in this house, in all parts, to believe that this courtesy will be extended to him.

I can understand what motivated the hon. gentleman in bringing forward this resolution. I am not criticizing him for doing it. I know the hon. gentleman who is bringing this matter forward, and I know what influences him in the judgments he makes in matters that concern us. But surely I am not asking too much when I ask hon. members to take into account the fact that there will be an opportunity given to the head of this government, to the Prime Minister, to explain his interpretation of the events which Mr. Speaker now has decided may be discussed within our rules.

I have said that I have full confidence in the Speaker of this house and in the decision he has made. I would ask the house to consider carefully what I have said, and I would not ask this if I were not perhaps the man in the house who has been here longest.

An hon. Member: That is a one-sided argument.

Mr. Martin (Essex East): Well, it may be a one-sided argument, but I assure my hon. friend that it is a necessary one.

I say to this house, as the right hon. gentleman opposite has said many times, parliament still remains the effective embodiment of the national will. It may not be at any given moment what the people of this country would like it to be. There have been many periods in history when the Canadian people have complained about their deliberative assembly. I say tonight, in the remaining hours of this debate, we ought to make sure, before passing judgment that we have all the facts before us. Only then, if we are true to the ideals and traditions of what this parliament professes to be, will we have the right to reach conclusions which are now implicit in this amendment, as though there had been full disclosure of all that was involved.

Mr. Diefenbaker: Disclosure?

Mr. Peters: Would the hon. Secretary of State for External Affairs permit a question?

Mr. Martin (Essex East): Yes, of course.

Mr. Peters: I should like to know if he has within his knowledge the answer to a rumour that has been widely circulated. I ask this question only because he has mentioned the Spencer case. The rumour is, and looking at the evidence that we have before us it would seem that there is a basis for it, that the head of the R.C.M.P. brought forth this information in question on a rather voluntary basis, rather than being asked questions about it—if I follow the proceedings correctly.

The story that is abroad is that the Prime Minister, through the Minister of Justice and several others, was threatened by the R.C.M.P. to protect the R.C.M.P., and that when the Spencer inquiry was granted, that was done despite the objections of the R.C.M.P. For this reason, I ask the minister, is it within his knowledge to say whether or not this is a vindictive attack that is being made on the Prime Minister by persons outside this house.

Mr. Martin (Essex East): I do not believe that.

Mr. Knowles: Mr. Speaker—

Mr. Martin (Essex East): I say, I do not believe it. I do not know, but I do not believe that there is any basis for that. I do not know the facts but I do not believe that people generally in authority are so motivated. I cannot bring myself to think that that kind of thing happens to reasonable and well intentioned men.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my participation in this debate will be as brief as the participation of those who preceded me. All of us, I think, are unhappy that a debate such as this is necessary, and we find that the views we wish to express can be stated briefly.

• (8:40 p.m.)

I speak in the context in which the hon. member for Royal (Mr. Fairweather) opened the debate and to which the Secretary of State for External Affairs (Mr. Martin) made reference, namely the confidence which all of us have in the institution of parliament. Not only do we in this house believe in parliament but we confidently feel it will survive the trials and tribulations through which it is passing.

Nevertheless, we are all aware that parliament is on trial. We know that the people of this country are asking the question which was quoted this afternoon by the hon. member for Brandon-Souris (Mr. Dinsdale): What is wrong with parliament?

I realize that anyone who sets out to answer a question as weighty as that runs the risk of being accused of knowing too much about other people's faults. But I feel the only reason for participating in this debate is to try to give an answer to that question.

In my opinion the speech just made by the Secretary of State for External Affairs revealed the answer that is in my mind. He found it necessary—and I think this is sad and

pathetic—to stand in this house and defend the reputation of the Prime Minister of this country. Why should he feel it necessary to do that? It was because the reputation of the Prime Minister (Mr. Pearson) is under attack. I refer not just to the amendment moved by the hon. member for Royal; one has only to pick up newspapers in any centre of this country at the present time and read the editorial pages to realize that the Prime Minister of Canada, the first citizen of this country, is under attack.

The Prime Minister is not the only public man whose reputation has been called into question. He is not the only man who is under criticism and attack. There are other members of parliament on both the government and the opposition sides of the house whose reputations have been seriously damaged by recent events, by allegations, by stories in the press and so forth. I suggest that right here, in the fact that public men are being attacked, that politics has become a game of trying to destroy the other person, is precisely what is wrong with parliament.

I hear an interjection from over there. I think someone said: "Who started it?" I have my own view, but I do not intend to state it. I think we are only compounding the illness if we keep asking the question: Who started it? The fact is that for a long time politics in this country has consisted in an effort to win elections and gain power by destroying the character and reputation of persons on the other side of the house.

If I talk about the two main parties in this chamber someone might well say: That is fine; you are speaking from the vantage point of not yet being one of the major parties. But I do so in the light of the facts of the situation. It cannot be denied that an effort has been made from one side of the house to win political advantage by linking the other side with organized crime.

An hon. Member: They were.

Mr. Knowles: Someone says: "They were". That does not matter any more. What matters is what this game is doing to Canada. The other side comes back and says, in effect: Whatever you say about us, you yourselves are engaged in various forms of immorality.

These things have their effect. I say to hon. members in each of the old parties that if they wish to play the game of destroying members on the other side they can do it, and they can succeed. The tragedy is that a great deal of success has already been achieved.

But the process of seeking to destroy members of parliament, whether on the front benches or the back benches, for the sake of gaining political advantage does something further: It destroys parliament itself. This, I suggest, is what is wrong with parliament. This is our malaise. Instead of being engaged in combat over issues and principles, we are engaged in this effort at mutual destruction as a substitute for politics as politics ought to be. We must see an end to this kind of thing in the parliament of Canada.

One of my colleagues, when he knew I intended to speak, urged me to be sure to suggest to the House of Commons that the country wants us to get on with the business of the nation. I agree. I can tell my hon. friend I was going to say that.

But, Mr. Speaker, we cannot get on with the business of the house just by the way we order our procedures, or what items we consider next, or by agreeing, for example, that we should not have had this particular two-day debate. We cannot get the business of this country done as long as this poison stays here —as long as the means of winning out over the other side consists mainly of destroying persons on the opposite side of the house.

I hope members of parliament are listening to the commentaries on radio and television. I hope they are reading the editorials and the letters which constituents are sending. I hope we all realize there is a sickness here. I still believe in parliament. I believe we shall survive this sickness and come out of it stronger than ever. But in order to do this we must call a halt to this abuse of politics, this practice of each side trying to destroy the other and, in particular, of individuals trying to destroy individuals on the other side of the house.

This is what the amendment now before us is about. It is really just a symptom of what is going on. The reference in the amendment is to a course of action which has apparently been followed on the government side of the house; it has not been denied. But we know that on the opposition side of the house, too, certain practices have been followed. When people accept the destruction of the other party as a means of action, the ultimate way of doing that is by character assassination, accusing people of being linked with crime or immorality, or anything else, so as to get them out of the way.

• (8:50 p.m.)

This is not parliament at its best. This is not parliament as we should like it to be in

the history of Canada. This is not the kind of parliament that any of us in the House of Commons wants. Therefore, I call on the leadership of this house. In particular I call on the leaders of the two main parties, the leader of the government and the leader of the opposition, to eschew this method of carrying on, to say we have had enough of it, and to give leadership in constructive battling over real issues. I believe they can. But if they cannot respond to that challenge which is coming to them from all over the country, then they know what the country is saying they ought to do.

Some hon. Members: Hear, hear.

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, as a member of parliament I would also like to make a few comments with reference to this debate. I could not help but be very impressed with the speech just made by the hon. member for Winnipeg North Centre (Mr. Knowles). I believe all hon. members basically agree with just about everything he said.

I also believe many hon. members were impressed with certain aspects of the speech made by the hon. member for Royal (Mr. Fairweather). I say certain aspects advisedly because I think it is unfortunate that in the latter part of his speech he tried to frame it into a partisan, no-confidence motion in the government. When he talked about public morality on the part of all members of parliament, in fact he was talking about the conduct of all members of parliament in all parties as exemplified by our behaviour over a period of three or four years.

One could take about two thirds of his speech and say it would be a pretty effective indictment of parliament as a whole, rather than of the government, and so it is unfortunate that his speech had to be twisted for that particular purpose. But one thing that he has accomplished is that he has brought the subject out for further discussion.

In many parts of his speech he suggested that the type of poisoning that has been taking place in this parliament is a thing we have all contributed to in a collective way. He got that message through pretty well before he put forward the motion of no confidence. But I think it was a pretty superficial subterfuge to try to place the blame for what is wrong in this parliament on one hon. member, irrespective of whether he be the Prime Minister or not; and that, in fact, is what has been done by this motion. It is most unfair and I think it is beneath the reputation of the hon. member who moved the motion, an hon. member for whom many of us have the highest respect.

We realize that the disclosure by the commissioner of the R.C.M.P. at this particular hearing was an irresistible temptation to take political advantage of a party and to heap abuse and blame for all that has taken place on the Prime Minister (Mr. Pearson) who, it is alleged, ordered these files. But we all know basically that this is not the root cause, or anything related to it. We all know that what has been going on has been growing for three or four years.

The substantive words of the motion refer to—

> —a course of action which would destroy the independence of all members and undermine the institution of parliament.

I submit that this has been effectively done over a period of three or four years by the action of all of us in a collective sense. We are all members of political parties. We all take part in party caucuses. We have to share our responsibility for this type of compromise in our role as members of parliament.

To use this particular disclosure by the R.C.M.P. as a springboard for heaping all the abuse and blame on one man is beneath the dignity of all hon. members, and we should desist from it now if we are to adopt a constructive course and put an end to this action. Its having been stated that the Prime Minister ordered these files then, of course, all the assumptions referred to by the Secretary of State for External Affairs (Mr. Martin) came into play this afternoon.

But even assuming for the sake of argument that these files were in fact ordered by the Prime Minister, following that allegation there is a mighty big assumption which has been made by hon. members that the files were ordered with malice aforethought, to be used for threatening members of parliament and to blacken the reputations of members of parliament. There are no facts to substantiate that type of assumption, but it is an allegation which has been made at random throughout the house all afternoon. Yet the very ones who make that type of generalization are the people who say this type of conduct must cease if we are to save the institution of parliament.

I do not for one moment impute that type of motive to the Prime Minister. I know the

Prime Minister. I have a very high respect for him and I do not believe for one moment that these files, even if they were ordered—and presumably we will hear the Prime Minister's statement on that tomorrow—were ordered with any type of malice such as has been imputed to him here today.

We can all recall the atmosphere in the house—I have never been in such a poisonous atmosphere—in 1964 when allegations were made arising out of the Rivard affair, when a parliamentary secretary and an executive assistant were alleged to be involved in wrongdoing. Those charges were made from the benches opposite, and were used as a basis for wider generalization. We heard that there were going to be great bankruptcy revelations, but these did not come to fruition. It was said that somehow these bankruptcies were a link with the underworld. This lent a certain plausibility to these devastating generalizations, and so other reputations were hurt through unwarranted conduct for which we have never had any substantiation.

We all, as members of parliament, deplore this type of conduct. We all know that certain other members of the government are ghosts that must be present with us, members who were subjected to this generalization technique, but about whom wrongdoing was never substantiated. I cannot help but think of the ex-postmaster general. The justice who presided over the Dorion inquiry said he was a man who was completely exonerated, and that even in the furniture affair his conduct was above reproach. The justice even said that he should be exonerated by all men in public life. Yet he was subjected to this wide type of generalization which must have brought tremendous pain to himself and his family. It was an unjustified type of devastating generalization founded on innuendos and implications. We have all had to live with that type of conduct for the past three years.

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

Mr. Munro: For us to say now that we will forget all that in the past, because the alleged ordering of certain files by the Prime Minister is an implication that one man is the author of all that is wrong with the house, is a conclusion which is obviously ridiculous.

Mr. Churchill: Will the hon. member permit a question? When he is dealing with unfounded accusations would he deal with the press conference which the Minister of Justice (Mr. Cardin) held on March 10?

[Mr. Munro.]

Mr. Munro: Mr. Speaker, I would like to finish my comments and then I will be pleased to answer the hon. member's question. We are talking about all the allegations that were thrown about this house for a year and a half, involving bankruptcies that were never substantiated, and the origins of which followed closely upon the Rivard affair. We have all experienced the rumour craze that went around the corridors of this house, to a degree never experienced before, when reputations of members too numerous to mention were being compromised at random, whose names came up in the context of some improper conduct in their personal lives. We all know that there were rumours.

• (9:00 p.m.)

There were vicious rumours floating throughout the press gallery. It seemed that certain members were conducting their own private police force and dropping dark hints that they had revelations which would be coming forward to destroy some particular member of this parliament. If it is a political responsibility of anyone in public life, I would think it must be that of the Prime Minister—this is my own interpretation—to consult and have interviews with the R.C.M.P. to find out whether or not there is any substantiation for the vicious charges being levelled, whether in fact any of them were true or were on the other hand, unfounded gossip; and once that was ascertained it would be the end of the matter. But, to base charges on the assumption that the files were ordered for the purpose of threatening and blackmailing members I think is a motive which should be most distasteful and beneath the dignity of members.

That then was the type of atmosphere which we had for a year and a half. There is little wonder that these files would be ordered. I would have been very surprised if in fact they had not been ordered. I would think it would be the responsibility of any prime minister in the context of his oath as a privy councillor, to check out some of the rumours to find out whether in fact there was any truth to some of them, so that some action could be taken; but it certainly was not designed to discredit the actions of any member of parliament. This is my own interpretation. That disclosure at the inquiry did not surprise me. I suppose, if we listened to the hon. members here, we would think it was some type of outrageous conduct. I never cease to be amazed at how pious we politicians can become.

The hon. member for Brandon-Souris (Mr. Dinsdale) today spoke in very injured tones about how his reputation had been compromised or had been damaged because of questions placed on the order paper designed to point out some wrongdoing on his part, of even a minor nature. In the same speech, when he decries that type of behaviour, the hon. member quotes from a speech that he gave on the C.B.C. embodying some of the most wide-sweeping generalizations of a smear nature containing a reference to "garbage cans" and a "whole government under suspicion." Yet, in the same breath he claims his reputation is being tarnished. When one complains, surely one must be prepared to acknowledge at the same time one's own shortcoming.

Mr. Churchill: Mr. Speaker, I have a question of privilege. The hon. member, if I heard him correctly, a few moments ago said that the hon. member for Brandon-Souris (Mr. Dinsdale) was guilty of wrongdoing. That statement should be withdrawn or substantiated.

Mr. Munro: It is too bad the hon. member did not listen. I said that he complained that there were questions placed on the order paper designed to point out that he was guilty of some wrongdoing.

Mr. Nielsen: Where did he get the information?

Mr. Byrne: Where did you get yours?

Mr. Munro: If the hon. member wishes to remove subtle threats placed on the order paper, he will have to find some consistency in his own conduct, I refer to the hon. member for the Yukon, because after I made a speech in Toronto complaining about members demeaning themselves by scurrying around the halls trying to get something on one another, I can remember the hon. member's comments then. I think he met me a few days after and said he had received letters from my constituents complaining that I was using my privilege of air travel to give political speeches.

Mr. Nielsen: That is true.

Mr. Munro: He was going to take some policing action in this matter. The hon. member does not know that I gave a personal cheque for that particular air fare.

The hon. member for Brandon-Souris was complaining bitterly about this type of procedure. Surely this is another example of inconsistency on the part of us all. All of us collectively have been responsible for what has taken place. I would think that if the hon. member for Royal (Mr. Fairweather) wishes to talk about political morality not only in our tactics but in our everyday conduct of affairs as parliamentarians, one tactic is the framing of a motion of non-confidence in the government. I would think that a lot of political morality is involved in that type of tactic. Surely he is aware, as are all of us as members of parliament, when these rumours are going about and when there are wide-sweeping generalizations being made based on unfounded implication and innuendo that, as the words of the motion indicate unquestionably: "this destroys the independence or certainly impairs the independence of all of us as members of parliament". How could this action in respect of the ordering of files, as came out at a royal commission hearing have done this type of damage as set out in this amendment, when in fact we know that has happened to us as members of parliament through our course of conduct and through the collective action of all of us for the last three and a half years.

How can this pat and convenient device—I refer to the use of the revelation which came forth four or five days ago at a royal commission hearing—be placed upon one man as his wrongdoing? I say we should all be prepared to accept our shortcomings and do something about them. I should think that a new point of departure for us as members would be to accept the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles); we should forget trying to dig up dirt on one another and get on with the business of the country.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I rise to speak on this motion of non-confidence in the government with very deep feelings, because I can speak as a member of the privy council and can say flatly that one of the first instructions I received on being sworn into the council was that under no circumstances was I to probe into any file of the previous administration.

Some hon. Members: Hear, hear.

Mr. Hamilton: As a member of the privy council I can say that I was instructed on the first day of my being sworn into office that I must remove myself from all business transactions because my judgment as a minister might be affected, and I assume that instruction applied to all the ministers who were sworn in ahead of me. I can state, Mr.

Speaker, that as a member of the privy council inadvertently information came to me about predecessors of mine, not only in my own department but in other departments. On no occasion, with one slight exception, did I ever divulge to my colleagues or other members in the house what information I had gleaned. That one exception was in the year 1959 when a member on this side of the house, a privy councillor, asked me a question in debate on a certain subject which, as I said earlier, inadvertently I had come across, and I did indicate by my statement that I understood what his position had been in that matter when he was in the cabinet. That may have been an improper use of information which had come to me inadvertently, and I would stake my life on the fact that this privy councillor and myself are the only ones who knew of the information that was passed. I say these things deliberately in order that the house may understand that in 1957 we were a new government; not one of us had ever been in a cabinet before, and the instructions I have mentioned came from one person only, the then prime minister of Canada, the man who today sits as the Leader of the Opposition (Mr. Diefenbaker).

• (9:10 p.m.)

I do not want the house to believe that this attitude was taken by the Leader of the Opposition purely on his assumption of office. The illustration which I shall now quote dates back to the year 1952. It took place in the town of Lumsden, Saskatchewan, in the month of June. It occurred at an election meeting I was attending as a candidate in the provincial election, as leader of the Conservative party in Saskatchewan, for the constituency of Lumsden. The speaker on my behalf that evening was the only Conservative M.P. in Saskatchewan, John Diefenbaker, Member of Parliament for Lake Centre, who is now Leader of the Opposition.

At that meeting was a member of today's press gallery with whom I have checked this story in the last month to verify my memory of this event. On this occasion a man named Rawluk asked at the end of the meeting whether he might read to the meeting a sworn affidavit. I am not a lawyer, nor was the chairman of that meeting. If my memory serves me correctly, and I think it does, I asked the speaker of the evening, who was a distinguished lawyer, whether he could guide us on the course of action we should follow. He asked Mr. Rawluk whether he might read that sworn affidavit. He read the affidavit and then announced to the meeting that the document would not be read at any meeting at which he or, he hoped, any other Conservative was present, because the allegations in it, even though sworn, would bring down in ruins the reputations of several leading public figures in Saskatchewan.

I quote this incident because the same gentleman, Mr. Rawluk, tried to get another M.L.A. named Benson to let him read the same document at one of his public meetings. This independent M.L.A. refused to read the document, I think on the same grounds as those of the then Mr. Diefenbaker. I point this out because it has a bearing on the situation we face in the house at this moment. The members of the legislature of Saskatchewan knew by the rumour-mill that these allegations were in the wind. It was in the month of February, if my memory serves me correctly, that the leader of the Liberal party in Saskatchewan, Mr. Tucker, read this affidavit into the record of the legislature, namely before the crown corporations committee of the legislature.

My remarks are now aimed at the members of the N.D.P. in this house, the successors of that party, the C.C.F. On that occasion the premier of the province of Saskatchewan offered to the opposition three types of investigation. If my memory is correct, the opposition chose a public hearing of these charges on the floor of the house through the forum of the crown corporations committee. Those hearings lasted for several weeks. They were attended by lawyers and representatives of all those people involved in the charges. As I say, Mr. Speaker, the hearings lasted for several weeks and the business of the province of Saskatchewan was held up until the allegations could be cleared away.

I have two points to make. One is that during the long period of the hearing of these terrible charges aimed at the premier and the senior ministers of the government of the province of Saskatchewan you never heard from the leader of the Conservative party in that province one word except in an effort to try to stop this awful going-on. Rightly or wrongly, I have fought the Liberals all my life, I have fought the C.C.F. as hard as I can; but I look upon members of both these parties as Canadians and fellow citizens of Saskatchewan who I hope some day will continue parliament in that legislature after we are all gone.

The second point I want to make is that during those hearings on several occasions I

met with leading figures on both sides and tried to use my good offices to bring some kind of end to their impossible tug-of-war, because they were asking that the matter be decided by a vote of the members, and no one would give in. When the hearing was completed, the ministers of the crown were cleared.

It is true that the head of the government insurance office left his job. But my point is this, and I make it to the N.D.P.: During that time when the premier of Saskatchewan, along with his ministers, was under heavy personal attack, charged with allegations in many ways much more terrible than this house has had to endure, the Conservative party in Saskatchewan stood for the rights of all people in that province to see that their legislature was preserved and that the rights of individuals were not condemned.

During that awful period the rumours that went around our province and through the legislative building every hour on the hour were just as bad as we have had to endure in the last few years here in Ottawa. I mention this to the New Democratic Party on the ground that now I think they can measure up to their democratic responsibility by indicating in this house that they disapprove, not only of this type of blanket charge that we have had to endure, but of the concept that the mounted police of our country, which has the highest reputation of any police force in the world, should be forced into a position where they have to degrade themselves to become watchdogs over members of parliament for a period of 10 years.

Mr. Knowles: Mr. Speaker, would the hon. member permit a question. I wonder whether he is aware of the fact that the hon. member for Greenwood (Mr. Brewin) stated this afternoon that this is the position of our party and that we shall be voting for the amendment.

• (9:20 p.m.)

Mr. Hamilton: I am very glad to hear this interjection because I wanted to make this appeal and I wanted to make it absolutely clear, with no sense of malice to the N.D.P. whatsoever, that we can all be subjected to this type of treatment.

I recall what the premier of Saskatchewan had to go through in my province on this same type of attack, not only the type of allegations but this rumour-mongering. I believe it would have been easy for me to have joined in this business of worrying the premier when he seemed to be flat on his back. However, I took the course—and many people in my party in the province of Saskatchewan accused me of destroying the chance for my party to rise in power—of trying to defend a principle which I still believe in. I am glad to hear that the N.D.P. are going to stand with us on this matter, because it is crucial.

When a government is attacked as the opposition must attack a government, it is not a proper course of action to use the national police of the country to destroy the reputation of any individual in this house, whether requested by a prime minister or not. I believe this country knows that we can only carry on as a parliament when certain codes of ethics are followed. This is illustrated in the fact that we assume every person in this house is a gentleman and we must take his word, even though that is hard at times.

Second, we have certain rules developed over the centuries to try to protect the rights of individuals in this house. If my history is not wrong, that mace sitting on the table when Mr. Speaker is in the chair, is a symbol that no one, neither a monarch sitting up in the gallery nor any agent of a monarch, has any right to impose pressure on members; it makes no difference whether the Queen's first minister uses that technique. This is what the issue is here today, Mr. Speaker—and my time goes on.

I should like, if I may, to read an article which appeared on March 8 in many papers across Canada. It is written by a gentleman named Douglas Fisher who was in this house. This article disturbed me at the time and I have questioned this ex-N.D.P. member closely about the article. The article has been challenged but no action has been taken on this challenge. I ask all members who are not committed to a fixed course of action to read what one of our ex-members said. Before going into that article, I have been rereading what was quoted by the member for Brandon-Souris (Mr. Dinsdale) about what the member for Port Arthur said on March 4, 1965 when he asked the speaker for a ruling on this question of private members, on the government side, posing questions which indicated extremely clearly that they had access to documents only available to ministers. I could duplicate, for example, the question which he used with other samples, because I noticed, as an ex-minister, certain questions going on the order paper which could only come from the files of ministers. At this time the member for Port Arthur asked the

Speaker this, as reported at page 11963 of *Hansard,* March 4, 1965:

I think all members of parliament, whether government or opposition, only ask for a fair chance. After consultation with your officials, Mr. Speaker, who deal with the order paper and questions of procedure, I now put before you for your advice the question whether there is a clear cut case here of collusion of the kind that would attack the traditional parliamentary rights of members of parliament.

This point of privilege raised by the member for Port Arthur was followed by the member for Winnipeg South Centre who goes on to say this at page 11964 of *Hansard,* March 4, 1965:

But the problem raised by the hon. member for Port Arthur is much wider than that. Surely it is no function of the Speaker to ascertain whether or not access to files has been made available to private members of the house. I do not know what sort of investigation Mr. Speaker could carry on in that regard. If I understood the accusation of the hon. member for Port Arthur, it was based more on that ground rather than simply the technical arrangement of questions on the order paper.

Then the member for Winnipeg South Centre went on to say that he would like to move a motion, and there were other parts of the debate which I have a feeling will be referred to before this debate is over. So here we have, on March 4, 1965, a member of this house, who I think we will all agree has been very interested in the institution of parliament, questioning a practice that was becoming self-evident.

Now almost a year to the day later the same member of parliament, who is no longer with us, publishes an article of which I am going to read a part.

Mr. Lewis: He is fully alive.

Mr. Hamilton: When I say he is no longer with us I mean on the floor of this house.

Mr. Fisher's article appears in the Toronto *Telegram* of Tuesday, March 8, 1966 and reads:

At first blush, the manner in which Justice Minister Cardin dropped the Monsignor case into the house record made it seem almost accidental. The mistaken spelling or pronunciation, Munzinger for Monsignor, supports this. But it could not have been that casual.

Before Mr. Cardin spoke, Mr. Diefenbaker had said during remarks on the Spencer case" . . . . the time has come for a full and complete investigation. I want to go back; I want to cover the period from 1944 onward."

Remember that this was early Friday afternoon before we had any threat about the Monsignor case from Mr. Cardin. Shortly after saying this, Mr. Diefenbaker remarked: "Let us assure that our security shall be preserved. Let us go into the matter. Why do you not do it? Don't go around telling members of the press gallery: 'If we were to tell what we know, we would be devastating.' I say to you, let us bring out the facts. Establish a royal commission. I want to go back to 1944-45 to see whether our security is what it should be."

So the press gallery had been told something. What was it?

It won't surprise anyone that members of the press are always being given tips and leads, especially by a politician or worker for one party about another.

The hon. member who has made an interjection should remember that one of his predecessors sitting in his seat was in very serious trouble and is now out of this house.

Mr. Teillet: Mr. Speaker, if the hon. member wishes to threaten me, let him deal with facts.

Mr. Hamilton: I believe, Mr. Speaker, we need only to regard where this comes from and let it pass.

Let me go on to quote again from Mr. Fisher's article, where he says:

In this sense the reporter becomes the broker or agent for the interest that gave him his lead. Of course, he is not consciously such an agent because his main concern is to dig out a story for the public.

I am new enough around the press gallery to have a strong curiosity about how the news process works. I notice the people who are not reporters who drop into the gallery room—the MP's, the executive assistants, and the public relations men.

Several weeks ago it struck me that one chap, medium sized, glasses, rather scholarly, seemed to drift through the quarters a lot.

He was a familiar face around the buildings but I had never placed him directly. I asked a colleague who he was and the answer was that he was a former executive assistant to George McIlraith, Minister of Public Works. His name was Hugh Lawford. He is now attached to the Privy Council office and working around the Prime Minister's office.

• (9:30 p.m.)

Mr. Stewart: May I rise on a point of order, Mr. Speaker? I should like to know if the hon. member is assuming responsibility for the accuracy of the information he is putting before the house.

Mr. Hamilton: I think the necessary action can be taken if this is inaccurate, as the hon. member knows.

Mr. Teillet: The hon. member was making certain assertions a moment ago, Mr. Speaker, with regard to me. I should like him to specify those.

Mr. Hamilton: I think the success of my remarks is self-evident.

Mr. Teillet: That is no answer.

Mr. Hamilton: I want to go on and quote.

Mr. Stewart: Mr. Speaker—

Mr. Teillet: If you have any accusations to make, make them.

Mr. Stewart: Is the hon. gentleman assuming responsibility for the accuracy of the statements he is putting on the record? This is the rule of the house, as we all know.

Mr. Greene: And stake his seat on it.

Mr. Hamilton: I do not know why hon. members are objecting. I am reading an article which is available to everyone and if the actions that they want to take are not taken we can only assume the statements are accurate.

Mr. Stewart: The authority of the information is very important.

The Acting Speaker (Mr. Rinfret): If the hon. member for Qu'Appelle reads an article contained in a newspaper, he is also assuming responsibility for the accuracy of these different points that have been put forward in the article.

Mr. Teillet: Mr. Speaker, provided he will read the article and leave out the asides he is making, then we will accept that.

Mr. Nielsen: You put in the asides.

Mr. Hamilton: I will be glad to accept that admonition. I will have no more asides if the minister will keep quiet. I continue to quote:

I asked whether Mr. Lawford was a party worker and the answer was not clear. Mr. Lawford had been on the staff of Queen's University. His training was in law, and he was much interested in the parliamentary process. Innocent enough. I asked what brought him to the gallery so often. Did he have some friendship or association with some reporter? The person I questioned wasn't sure. He hadn't thought about it before but it was true that Mr. Lawford was drifting around on many occasions during the day and evening.

About this time the prospect of a storm over affairs in the Department of Justice was developing. Erik Nielsen had said that he would be naming names on bankruptcy matters and the Spencer case was becoming more and more of an issue. I began to hear the odd hint that the government wasn't worried about Nielsen and any of his charges; that the government had some juicy items of its own about the Diefenbaker administration and that some truly exciting revelations were in store.

Naturally I was all ears and I am sure the same attitude prevailed among most newspapermen. Now this kind of hint was not new. It had been dropped repeatedly at the time of the Rivard brouhaha. In fact, some of the ugliest stories I have ever heard were running below the surface at that time, involving members of all parties. Stories to make the seamy ones in Arthur Hailey's In High Places seem tame.

I remember that I wrote a column at the time which tried to make the point that morally the federal politicians were as good or better than the people they represented.

In tracing these hints to a source I found that most of them seemed to lead to Mr. Lawford. It seemed that in his excursions through the gallery a few reporters were told that they could expect or might get some real sensations very soon, that the government had more than enough to put the Tories in their place. Of course, these hints got back to Mr. Diefenbaker. That's what he was referring to with his sentence: "Don't go around telling members of the press gallery: 'If we were to tell what we know, we would be devastating'."

When Mr. Cardin dropped his Monsignor reference, the cat was out of the bag. The reporters or some of them had been given just enough information to have the most lurid outline for a breaking story. Thus the first line of one reporter's story . . . "The photograph shows a voluptuous blonde, nude, lying in bed with a man. Ordinarily, it might be just another smutty picture. But the woman is Olga Munzinger, an East German, who was considered a security risk by the R.C.M.P. and the man was a minister in the Diefenbaker government in 1961."

Now, this reporter was not around Ottawa in 1961. He is not an old hand in Ottawa. His information was a tip from someone in the government. I have to conclude that it was given him deliberately as part of a plan, that Mr. Lawford was the source or one of the sources for it.

Mr. Teillet: May we know who the hon. gentleman is quoting now? Will you let us know whom you are quoting now?

Mr. Nielsen: Lawford.

Mr. Hamilton: I know you cannot protect me from this type of thing, Mr. Speaker. I promised I would not interrupt my reading if the minister would keep quiet.

Mr. Teillet: I should like to know from whom he is quoting now.

Mr. Hamilton: I am quoting now from a reporter by the name of Douglas Fisher who is quoting from a newspaper known as the Toronto *Star*.

Nr. Nielsen: Not always friendly to this side.

Mr. Hamilton: I continue to quote:

Since Mr. Lawford is working out of the P.M.'s office and is a contract employee with the responsibility of advising the government on problems of parliamentary procedure (that is, he is not a petty clerk) it seems clear that the Munzinger revelations are part of a calculated government plan to shift attention to the behaviour of the Diefenbaker government.

Morality in Government

It seems a queer thing, an odd plan, perhaps a stupid plan. But it is obviously a plan that the government has gone into with deliberation and with the approval of the Prime Minister. As might be expected, much more than the Munzinger case will now be heard.

I read this article into the record, Mr. Speaker, because it bears out something that I feel we have been a little slow on this side to grasp, namely, the appearance of statements in 1962 read this afternoon to the effect that the Leader of the Opposition (Mr. Pearson), now Prime Minister, in several places announced that under no circumstances would anything happen in the house until the government of the day was defeated. These headlines went all across Canada. This policy of destruction of government at any cost to parliament or the members of this house was started on that occasion. I cannot divulge any part of what I know for the simple reason that I have to hold myself to my oath as a privy councillor and to the level of ethics to which I personally adhere.

I want to ask the members of the Social Credit party now about a pledge they made to the people during the last election campaign to the effect they would support the government except on matters of corruption or doubtful action. This was the pledge which I am sure was made with all sincerity. I have fought the Social Credit party just as I have fought the Liberals and the N.D.P. On an issue such as this, I have a right to ask the Social Credit members where they stand. Will they come with us in a clearcut expression of opinion that no one, the monarch or the first spokesman of the monarch, has the right to apply police state principles to the members of this house.

In conclusion, Mr. Speaker, I remind our friends in the Créditiste party that in the election in 1963 they had a man by the name of Dupuis flung at them. He had instructions to get the Créditistes. He was sent out to follow every member of the Créditiste party and overwhelm them with the thunder of his voice, and make charges against them. Is this not true? It is true. This man came into the house and was rewarded with a position in the cabinet by the present Prime Minister. Even after the government of the day knew of the allegations made against him by the Quebec government, that member stayed in the house and in the cabinet.

• (9:40 p.m.)

I think the Créditistes know that if they want the right as individual members of parliament or collectively as a party to survive, they have to expect that with Dupuis out of the way someone else will take his place.We hear rumours and rumbles of this tonight. I have to ask members of parliament, both individually and as members of a party, where they stand on this issue of using the police for a purpose for which they were never intended, namely, to threaten and to restrict the freedom of the individual members of the house.

I suppose, Mr. Speaker, there may be many members of the Liberal party across this country who remember the principles of Liberalism, who remember the long struggles over hundreds of years to build up the freedom of individuals in this country and in our parliamentary structure. The many Liberals who have shared these principles with many others will remember that their loyalty to them is greater than that party devotion which they have had drilled into them in the last 50 years or so.

Therefore, I ask some of the members across the floor tonight to think very long and hard before they make their decision on this matter. If the government goes down to defeat tomorrow night they will lose a Prime Minister and a leader. But this house must show where it stands. Should a Prime Minister or should anybody call on the police force of our country to look into the private behavour of all M.P.'s for the last ten years so as to find whether there are any scandalous actions which can be used as a threat, to be held over their heads—as the headlines point out—for 16 months? I hope the principles to which I referred will force many members, individually and collectively, to stand up and be counted tomorrow as Liberals of this house who believe in Liberalism, not the Liberal party. Let them be counted with those of us who fight on this issue of the preservation of the rights of individuals in this house to freedom from fear of a police state.

Mr. Stewart: Mr. Speaker, may I ask a question of the hon. gentleman who has just finished speaking? We have heard a great deal tonight about the dangers of general allegations. I should like to ask the hon. gentleman whether he is accepting responsibility for the accuracy of the article, allegedly written by Mr. Douglas Fisher, upon which he relied so fully in the argument he has developed in the house tonight.

Second, I should like to ask the hon. member whether he knows that these allegations were categorically denied by the gentleman mentioned, namely Mr. Hugh Lawford, in the next day's issue of the Ottawa *Citizen*.

Mr. Hamilton: Mr. Speaker, I mentioned when I started to read the article of Douglas Fisher that I knew that the article had been objected to by the person mentioned, Mr. Lawford. I also went on to say that no action had been forthcoming. I simply say that in the refutation of this article by Mr. Lawford he threatened to sue, and I am waiting for the suit to start.

Mr. Stewart: May I ask another question. May I ask the hon. member if the mere fact that a person does not persist in an action in the courts is to be taken as conclusive evidence of the accuracy of allegations against which the person objected?

Mr. Hamilton: Mr. Speaker, I want to state my conviction so that there is no misunderstanding. I have been in this house for nine years. During that time, specifically in the last two or three years, I know that rumours have been floating around this place the like of which I have not known before. When this case of which we cannot talk developed, things appeared in the papers which turned out to be untrue. Now, somebody must have started these rumours, and I put Mr. Douglas Fisher's opinion as to who one of the sources was on the record.

What I have to say now is very blunt and to the point. What the hon. member is saying in his question is that I am trying to nit-pick; that I am accepting responsibility for every word written by Douglas Fisher. He is completely missing my main plea. Certainly somebody was spreading these rumours; they did not get abroad by accident. I heard them myself and from Liberal M.P.'s, but I will not stoop so low as to mention any names. I simply ask where these rumours started from. I quoted one source, and I am now wondering why we are so naïve in not realizing the tremendous public relations effort put in by the government in 1963 in lieu of policies. They are trying to do this by means of a type of public relations smear and scandal campaign, which must stop if we are to exist as a parliament.

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, having listened earlier this evening to the speech of the hon. member for Winnipeg North Centre (Mr. Knowles) and comparing it to the speech just made by the hon. member for Qu'Appelle (Mr. Hamilton), I am sure the people in the galleries will all know just how sick parliament has become. The hon. member for Qu'Appelle saw fit to attack this person named Hugh Lawford for about ten minutes in what was to me the most puzzling speech of the day, because I do not know what purpose it served. Nevertheless it seemed to me both despicable and cowardly for a member of parliament to stand in this house and attack a civil servant, whose only recourse is to sit silently in the galleries and listen to the hon. member read what is nothing more than gossip, inference and slander.

I have been a member of this house for four years. Like most new members, when I first came here I had no fear or hesitation about standing up in the House of Commons and issuing what I thought, in my humble way, was a belligerent and vicious attack. In those days I viewed every member outside the Liberal party as an enemy.

Since then, Mr. Speaker, I like to think that I have matured a little. In the four years I have been here I have come to know most members of this house, regardless of party, by their first names. It is no secret that after hours I have had the chance to fraternize with most members—Créditistes, Socialists, Conservatives. I can say without fear of contradition that individually I do not know a nicer group of people.

I sit in this house, Mr. Speaker, day in and day out, rarely participating in debates, though at times when I do it may be in a belligerent manner, but I am puzzled and wonder why this House of Commons has deteriorated to such a state that the Munsinger affair could become a reality. I wonder why we are discussing an amendment reflecting upon the integrity of a man who has yet to have an opportunity to defend himself. I refer to our Prime Minister (Mr. Pearson), who is ill.

It seems to me that the question raised today on the supply motion should have waited until the Prime Minister was present in this house. I think the hon. member for Royal (Mr. Fairweather), in introducing the amendment, did so in a very reasonable manner, as is his custom. He is worried, as am I, about the freedom of individuals both inside and outside parliament. I think that all hon. members on this side of the house share

to a certain extent misgivings as to what is taking place.

• (9:50 p.m.)

When I listened to the hon. member for Winnipeg North Centre (Mr. Knowles) tonight make what I thought was a reasonable plea to all members of the house, that perhaps the time had come for us to get back to discussing issues rather than personalities, I thought that perhaps his reasoned approach to the debate at hand might have had some influence on the tone of debate.

Mr. Speaker, this is why in a moment of anger I began my speech by expressing my opinion about the remarks made by the hon. member for Qu'Appelle (Mr. Hamilton). What I then expressed is still my opinion. However, I think the speeches today as well as many of the speeches made on the estimates of the Department of Justice reflect growing misgivings by members on all sides of the house at this insidious attitude creeping into the house, because it is a dangerous attitude, and is one with which nobody seems to be happy.

We should once and for all rid the House of Commons of this type of atmosphere of which no member that I know feels happy. None of us, Mr. Speaker, who go home on the week end go home without feeling a certain amount of relief at getting out of this atmosphere. None of us know from what corner of the house the next ill-founded charge will be levelled at some surprised, inoffensive member of the house. I say that sincerely, because such a charge could come from this side of the house as well as from the other side. It simply amazes me, knowing most people here individually, that collectively we have created the atmosphere which has led to this sorry state of affairs. When hon. members stand up and say that people on the street today are taking a second look at parliament and asking what is happening, I think it is time that we realized that we are embarked on a course of self-destruction.

Members on both sides of this house, and of course I speak for myself also, have not come here for monetary gain. They have come here because they really feel that in this the highest court of the land they may have an opportunity, perhaps once in a lifetime, of doing something for their fellow Canadians in some field or another.

Perhaps, Mr. Speaker, if we are going to cure the present attitude in the house we should review what has led up to it, not for the purpose of dishing out blame to any individual member or to any parties, or to any segments of parties, but to try to understand what has brought it about.

It would seem to me that some of the older members of the house, and even some hon. members who were here during the last ten or 15 years, can remember a time when they debated political issues, fiercely, and after that walked out of the House of Commons arm in arm. Today it is different. Today you are afraid to speak to a member on the other side of the house because you do not know when that member is going to stand up in the House of Commons and use in debate the confidential remarks you have made to him. That has happened all too frequently. Again, I am not pinpointing any particular individual, but I think all of us know that what I say is accurate and true.

Some people here have said, "Oh, it is because of the Rivard case, and because of the hon. member for Yukon (Mr. Nielsen), that we have these troubles". I am looking at the clock, Mr. Speaker. Let me say that I participated in that debate. In fairness to the hon. member for Yukon and to the hon. member who now leads the New Democratic Party, let me express my opinion as a simple backbencher that in that particular debate they were doing what they were sent to parliament to do, which was, as members of the opposition, to make sure that the government of the day or any of its members were not doing things that they were conveniently pushing under the rug.

The Dorion probe came about through the skilful and insistent prodding of the opposition. I think the Dorion probe was a necessity. But somewhere along the line, Mr. Speaker, events occurred that created the atmosphere where this type of inquisition, legal or otherwise, continued. Again I am not pointing the finger at any particular individual.

We went through the Dorion probe with all its emotional arguments, and tomorrow when I resume debate I mean to read my remarks made at the time, which were very short and inconsequential, but which expressed at that time how I felt about the House of Commons and how I still feel about it. We went from the Dorion probe to the discussion of the furniture scandals. Tonight an hon. member of this house lies on his deathbed in the hospital with a heart attack. He is a man in his forties. His family well know that what brought on the heart attack were the charges that the newspapers of this country laid at his doorstep, when they connected him with the furniture deals. I predicted this precisely

in 1964. Let me repeat now what I said then. I said, "What, in the House of Commons, do we do to protect the innocent in our zeal to get at the guilty."

The furniture dealings ruined the careers of two hon. members. The contribution of one of them to the Canada Council has never been fully realized in this county. The other hon. member is a good man who came here, as you and I and as the rest of us have come here, in the interests of the country. His career has been ruined.

An hon. Member: He resigned.

Mr. Mackasey: He was completely exonerated. I thought everybody knew this. His name came into the Dorion case, and I am not blaming anybody for that. His name was dragged into that probe as part of the evidence, as part of the inferences drawn, as part of skilful manoeuvrings. I did ask at the time who would protect him if he was found innocent of wrongdoing, as indeed he was. I think it is a great shame, when the Dorion report was tabled, that the house did not officially apologize to that man who was completely exonerated by a judge.

When we finished with the furniture deals, Mr. Speaker, was that the end of the disturbing atmosphere in this house? No. It was only the beginning of an attitude and of an atmosphere that is leading to the self-destruction of all parties of the house, because shortly after that we embarked on an election campaign. The tenor of the election campaign unfortunately was set by the tone of the house when it dissolved.

Therefore, as though it were smoke coming out of a bottle, that spirit of belligerence and hostility which marked the Dorion debate, which marked the debate on the furniture business, came into the question period, and carried on into election time.

I have a file here. I will read a few comments from it into the record tomorrow. These are headlines that made news across Canada. I would ask the older members of the house, from the New Democratic Party, from the Liberal party, or from the front bench of the Conservative party to compare these headlines with the types of headlines that you traditionally see in the heat of an election campaign, either out west, in the east or in central Canada. We all expect a little freedom, a little licence and a little irresponsibility in an election campaign. But how irresponsible do you get? Take the Toronto *Star* for instance—

Some hon. Members: Ten o'clock.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*English*]

PRIVILEGES AND ELECTIONS—INQUIRY AS TO PRESENTATION OF FIRST REPORT OF COMMITTEE

Mr. Frank Howard (Skeena): Mr. Speaker, on December 20, 1963, two and a half years ago, the committee on privileges and elections under the chairmanship of the hon. gentleman who is now the Solicitor General (Mr. Pennell) considered the Canada Elections Act, but did not complete its studies at that time. In its final report to the house the committee unanimously recommended, and I quote from the *Journals* of that year, at page 765:

> —that the Standing Committee on Privileges and Elections be empowered to study the Canada Elections Act, at the earliest possible date next session with a view to affording this committee an opportunity for exhaustive and constructive examination and study of the said act.

That was in 1963. Even though the Prime Minister has been asked on a number of occasions since that time to carry out the wishes recommended unanimously by that committee, he has failed to carry out those legitimate requests and has denied the committee the opportunity to study fully and completely the Canada Elections Act, as has been the practice for quite a number of years.

Some two months ago I moved that the committee report to the house, and that the Canada Elections Act be referred to it for study. That motion of mine was carried unanimously in the committee. There was not a whisper of objection to the idea that we should complete the examination begun in 1963.

We waited in vain for the committee to report. The chairman, the hon. member for Northumberland-Miramichi (Mr. McWilliam) who is not here this evening, said in answer to one question of mine that someone had objected to the proceedings of the committee. But this was a unanimous decision. So we must ask ourselves: Who objected, and for what reason?

The only conclusion one can reach is that one of the close supporters of the government

objected to this procedure because it ran counter to the desire of the Prime Minister and his colleagues not to have the Canada Elections Act looked into.

• (10:00 p.m.)

This was primarily because the committee at one stage in 1963 passed a resolution that the age of voting be reduced from 21 years to 18 years. After that decision was made I heard, quietly and privately, many Liberals saying that they wished they had not supported the resolution because it was an embarrassing thing in the province of Quebec, because the most notable radicals in the separatist movement were in the 18 and 19 year age group, and they did not want to be tarred with that sort of distasteful brushing.

I submit that it is for that reason the government has refused to carry out the unanimous recommendation of the Privileges and Elections Committee of 1963, that the government has interfered with the privileges of the committee, and did it by having the committee stymied through the chairman. I submit that this has been an unwarranted intrusion into the affairs of the committee.

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, on Tuesday, March 1, 1966, at the organization meeting of the Committee on Privileges and Elections a motion was made, as stated by the hon. member for Skeena (Mr. Howard), in substantially these words, "that the Canada Elections Act be referred to the committee for study, examination and report." The motion was accepted by the committee. However, I am told that a point was raised at that time that the committee acted beyond its terms of reference because a study of the Elections Act was not referred to the committee.

Mr. Howard: I rise on a point of order, Mr. Speaker. It is not correct to say that an objection was raised at that time because it was not.

Mr. Béchard: Well, I am told by the chairman of the committee that it was raised, due to the fact that the act was not referred to the committee by the house. The chairman of the committee then requested opinions on the matter, not from the Prime Minister (Mr. Pearson) or the Secretary of State (Miss LaMarsh), but from the Clerk of the House, the parliamentary counsel and the chief of the committees branch. These three officials stated in writing to the chairman that the committee acted beyond its terms of reference.

Since then the chairman of the committee has requested space for the accommodation of another meeting, at which time the opinion of the officers of the house will be brought before members of the committee for consideration and action. I must state that there was no interference by the Prime Minister, the government, or any member of the government.

[Mr. Howard.]

PUBLIC SERVICE—SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Thursday last, as reported at page 4424 of *Hansard*, I asked the Prime Minister (Mr. Pearson) a question concerning retired civil servants. My question was put in these words:

> In view of the fact that the government has on the order paper a notice of intention to amend the Public Service Superannuation Act, including the making of amendments of a general character, may I ask whether this will include an amendment to increase the pensions of civil servants already retired?

The Prime Minister's reply was very brief. He simply said:

> No, Mr. Speaker.

I then put a supplementary question, to which the Prime Minister replied:

> Mr. Speaker, this matter is being brought to our attention, as my hon. friend knows, not only by him but by those directly concerned, and it is under continuous consideration. There is no intention to change the position at this time.

I find that answer very disappointing, if not somewhat confusing. We are told by the Prime Minister that the matter is under continuous consideration but that there is no intention to change the position at this time.

The basis of my question last Thursday was a resolution, which is order No. 51 on the order paper, which forecasts legislation dealing with a number of pension statutes. It is obvious from the resolution that the main purpose of the legislation will be to provide integration between a number of pension plans and the Canada Pension Plan. However, at the end of the resolution, the Public Service Superannuation Act having been mentioned, there is this phrase:

> —and to make amendments of a general nature in connection with the administration of those acts—

Therefore it was my contention that since legislation is to be brought before the house at this session, amending the Public Service Superannuation Act, and if the amendments to be presented at that time include amendments of a general character, then that would be an excellent opportunity to deal with this tremendously important question of raising the pensions of retired civil servants.

I know the answers to this question. I have had them given to me a good many times. They shift a bit. Sometimes it is a case of waiting for the Canada Pension Plan. Sometimes it is a case of waiting for review of the Old Age Security Act. Sometimes it is a case of waiting for the Canada Assistance Plan, and sometimes it is just wait. This is what the retired civil servants have been doing—waiting, waiting, waiting across the years.

Of course the argument is put forward that the pensions these people get are the result of a contractual arrangement and that it is unusual to escalate pensions after they have been put in pay. But that argument does not hold any more, because the government has provided for escalation of pensions under the Old Age Security Act and under the Canada Pension Plan. That the government has put this piece of escalation into effect is a recognition of the fact that we are going to have to get over the notion that pensions, once fixed, are good for all time.

• (10:10 p.m.)

The cost of living keeps changing; the standard of living keeps changing; prices go up; wages and salaries go up. The thought that retired people from age 60 or 65 for the rest of their years must never have an increase in the pension awarded to them is completely out of date. Surely the body which ought to start doing something about this is the federal government. Information has been placed on the record many times, certainly at least once a year in the time I have been here, concerning the pensions which our retired civil servants receive. There are far too many cases where they are low. The argument today to the effect that perhaps some of them have something else in addition to their pension has nothing to do with the case. It is our business to be a good employer, and just as some other employers have made adjustments to pensions after they have been put in pay, I say this should be done for the retired civil servants. It was done once; it was done by the Conservative government in 1960 or 1961 and there is no reason that it cannot be done again.

I say that the answer of the Prime Minister, that this matter is under continuous consideration, is not good enough. If the answer tonight still is no, the parliamentary secretary might as well stay in his seat. I hope he will indicate instead that the kind of study which is being given to this matter is the kind which will see action taken on this important question of increased pensions for retired civil servants at this session of parliament.

[*Translation*]

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): Mr. Speaker, of course I have not much to add to the remarks made by the hon. member for Winnipeg North Centre (Mr. Knowles).

I think we gave an adequate answer to that question on January 25, 1966, when the hon. member raised it in the house.

I know that he is very much interested in pensions for all Canadian citizens and, as we said in our reply of January 25, 1966, we are also very much concerned by the situation of pensioners.

However, the government has decided that the matter of pensions for civil servants would be studied in the general context of the pension plan for all the citizens of Canada, and that policy has not changed since then.

The hon. member has only to read the answer given on January 25, 1966, on the same subject.

Motion agreed to and the house adjourned at 10.15 p.m.

HOUSE OF COMMONS

Tuesday, May 3, 1966

The house met at 2.30 p.m.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MOTHER OF THE YEAR

Mr. J. Russell Keays (Gaspé): Mr. Speaker, allow me to call the attention of the house to the presence in the gallery of Mrs. Jeanne-Pauline Beaulieu who was chosen mother of the year for 1966.

VETERANS AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Gérard Laniel (Beauharnois-Salaberry) presented the first report of the standing committee on veterans affairs and moved that the report be concurred in.

Motion agreed to.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

• (2:40 p.m.)

[*English*]

FEDERAL-PROVINCIAL CONFERENCE

ANNOUNCEMENT RESPECTING DATE AND AGENDA

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, members have been inquiring about the dates and the agenda of the federal-provincial conference to be held in Victoria as part of the commemoration of the centenary of the union of Vancouver Island and British Columbia.

I should now like to advise the house that the conference will open on Thursday, June 16 and continue on June 17, and if necessary on June 18. The conference was originally scheduled for the first week in June. It subsequently became evident, however, that the dates suggested were not in fact convenient to all governments concerned, principally because of provincial elections. The proposed new dates have been established in consultation with Premier Bennett and have been accepted by all the other provinces.

The main item of business on the agenda will be the question of federal assistance to university education. I hope to be able tomorrow, Mr. Speaker, to table copies of the correspondence exchanged with the provinces regarding this conference.

HOUSING

STATEMENT RESPECTING REPORTED SHORTAGE OF MORTGAGE MONEY

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I should like to make a brief statement on a matter that has precipitated a number of questions and observations in the house during recent weeks, and to which the government has given most earnest and continuous attention. I refer to the difficulty being experienced by Canada's house building industry in obtaining an adequate volume of mortgage funds.

It is now apparent that the flow of institutional mortgage investment has declined sharply, yet a substantial demand for new housing exists. This demand is more acute in some designated areas, in new resource-based communities and certain other areas. To assist in some measure in relieving this situation, and in an effort to ensure that the most urgent needs are met, the government has determined upon the following action.

As I have affirmed on more than one occasion, the government is taking, and will continue to take every step necessary to ensure a program of direct mortgage loans by Central Mortgage and Housing at the same level as that of last year when, including the fall program, loans for approximately 31,500 houses were approved. This will ensure a minimum house building program in 1966 within approximately 15 per cent of the 1965 total.

Having given this assurance, Mr. Speaker, I should also like to make it clear that it is not the intention of the government to make up all the deficiency which has arisen in the supply of mortgage funds. The amounts involved in this announcement here are approximately $450 million. I might say it is my own personal view that, since merchant builders are building with the hope of profit, they should intensify, they must intensify if they need help, their search for other sources of mortgage moneys. They cannot expect the government completely to solve such problems for them.

In view of recent developments, including the budget, one thing is certain, Mr. Speaker. The government does not propose to finance a program of model homes this summer with

direct speculative loans made by a government agency. Such a program would be directly contrary to the government's objectives in restraining the level of construction.

I wish to conclude this short statement, Mr. Speaker, by reiterating a further assurance that I and other spokesmen for the government have given on many occasions, namely that there will be no diminution of the funds made available by the government to assist in meeting the housing needs of lower income and elderly persons and families in Canada. Funds have been provided to support programs of public housing and projects for elderly persons to the full extent of the demand for such worthy endeavours.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have asked a number of questions about this matter. I know hon. members in all parts of the house, including the Prime Minister, have been receiving strong protests from, I think, every province in this country regarding the serious situation resulting from the action of this government with respect to housing loans. It is a very serious matter and one that affects Canadians as a whole.

The minister has endeavoured to sweeten the pill by the words he added at the end of his remarks, to the effect that there would be no diminution in the funds made available by the government to assist meeting the housing need of lower income and elderly persons.

However, this announcement today seems to be a modern exemplification of the old adage that the mountain in labour brought forth a mouse. I underline that fact that it was not a house. All we have is a generalization that does not meet the situation in any way and which will result in widespread disappointment.

Today I received a copy of a telegram sent to the Prime Minister which summarizes the situation. I am not going to read it all. It is from the president of the National House Builders Association, and it states:

> Reports received today from member associations indicate further disruption and curtailment of employment due to lack of mortgage funds. Examples Winnipeg quote layoffs by quality builders 120 shop labour. Other typical layoffs 30, 35 and 15 respectively. Lakehead quote six builders report reductions in carpenter and labour force from 322 total to 57. Victoria quote 75 carpenters unemployed as compared to 14 this time last year. Calgary quote most home builders laid off approximately 10 per cent trades. About 75 per cent will have to be laid off in approximately 1½ months. Ottawa quote Ottawa builders alarmed over prospects for next three month period. Montreal quote curtailment in excess of 70 per cent. Hamilton quote survey of eight builder firms indicate average layoffs of 38 men per firm—

What has happened is that the government refuses to act. Interest rates have climbed to inordinate levels. Eight per cent is the rate that is being charged in many places if there is to be any borrowing at all. Altogether this is a most disillusioning and disheartening statement. It does not indicate the serious concern the government ought to have given to this question.

Mr. Reid Scott (Danforth): Mr. Speaker, in commenting on the statement of the minister I would certainly echo some of the words of the leader of the official opposition. To say that this statement is a disappointment is putting it mildly. I cannot really believe that the approach it indicates represents the thinking of the minister himself who, I had felt, was far more cognizant of the building industry in Canada and who understood its problems far better than this statement would indicate.

Let there be no misunderstanding about it; this is merely a statement by the government to the effect that last year's program will be repeated. Indeed, the total program will be approximately 15 per cent or more below that. It seems to me fatuous to suggest to builders that the government does not intend to take any real responsibility for the shortage of money, and to tell the builders that they should intensify their search for other sources of mortgage funds.

• (2:50 p.m.)

The minister is well aware that it is the government which sets the N.H.A. interest rate. Now he intends to dispose of any responsibility for seeing that mortgage funds are available at the interest rate which the government itself has set. There are simply no other sources of funds to which to turn. Builders under the N.H.A. are sitting with four, five or six refusal letters in front of them from the insurance companies stating they simply will not lend any further this year. It is silly to suggest that builders should keep looking when there is no where to look.

The fact of the matter is that because of the limited rate—and I am not suggesting it should be raised—N.H.A. institutions are simply out for the rest of the year. The sources which have funds are going to lend where they can make the most money, and no one will blame them for it. But there is a duty on the government which sets this rate to see that the National Housing Act functions. The

government has, in effect, already set aside the recommendation of its own Economic Council which calls for a continuing rise in the number of housing units being constructed.

So this announcement, as the Leader of the Opposition has said, means nothing. It will do nothing to correct the shortage of housing. In effect it underlines the truth of something the opposition has been saying for the last three or four years, that this government has no housing policy. We have no idea of its aims in this field, or of the amount of housing Canada needs, or where it is to be located or how people can afford to pay for it, or where the necessary finance will be obtained. Housing is treated merely as a tap to be turned on and off for the purpose of producing employment or economic expansion. There are no goals. There are no objectives. There is no housing program under this government.

But maybe it does not matter that a lot of our people are inadequately housed or lacking proper facilities. I suppose the really important thing is to get back to the basic national objective of this parliament; back to the spies charging each other, the character assassinations and the old personal feuds and vendettas.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, at the end of September 1965, the Department of Trade and Commerce issued a press release in Ottawa announcing that the Central Mortgage and Housing Corporation had decided to finance a housing project in Great Britain. It was announced that over a hundred houses would be built in Great Britain and financed by the Central Mortgage and Housing Corporation of Canada.

Today, it is announced that Central Mortgage and Housing have no more money to lend to Canadians. In Great Britain, everything is fine, but restrictions are being applied in Canada. Furthermore, the minister says that the house builders should not expect the government to solve their problems for them. But the problems have been brought about by the government. The government placed an 11 per cent tax on building materials. The government have brought on the problems now facing the building industry.

After the government have created problems, they wash their hands of them. They say they will not solve "your problems" and the minister adds that such a program would go directly against the government's objectives—I repeat "would go against the government's objectives in restraining the level of construction." The government's objectives are to restrain the level of construction.

We are told that Canada is a progressive country, a developing country; we are told that the future belongs to Canada and to Canadians but, on the other hand, we are told that one of the objectives of the government is to restrain the level of construction. To what purpose? To prevent progress in Canada. If the country is developing, why are efforts being made to halt this development?

The government cannot be censured too much for seeking to restrain construction in a country as young and as wealthy as ours. No, the government will never be blamed as much as they deserve for that. Besides, it is an inevitable result of the last budget of the Minister of Finance (Mr. Sharp) who prefers to restrain the economy of the country rather than to progress along with it.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, within the framework of what has been stated government policy I suppose the statement that has just been given to us by the Minister of Labour offers some little hope; but I must reiterate what has already been said, that it certainly is not adequate to meet the needs of the country. It is quite contrary to the recommendations of the Economic Council, which stated that the number of housing units should continue to increase not only to meet the needs of the economy but also to meet the needs for housing.

The very acute situation that exists in Canada, more so in some parts of the country than in others, so far as the shortage of mortgage money is concerned, does not arise because there is not a sufficient money supply. It is simply because of government policy. It is government policy today that is creating the shortage of funds.

We agree with the Minister of Labour that at this time it is not the government's responsibility to supply money for speculative capital, but the fact is that the private source of capital is not there any more, the money just is not available. It is for that reason that this sector of the house building industry is not going forward as in previous years.

The minister's statement is entirely inadequate to meet the needs of the country with

respect to assistance from the government. There is not only the need for the provision of more direct money, but because of the complete inability of the private sector to supply building funds, interest rates, where private money is available, are now more than 8 per cent. According to reports the other day the cost of a $13,000 home has risen to $15,000. This is the kind of difficulty which the house building industry and the home builder face.

Therefore, Mr. Speaker, though we can say we are grateful for small mercies, government policy which has given rise to this situation should be corrected.

COMMITTEES OF THE HOUSE

MOTIONS FOR CONCURRENCE IN REPORTS

On the order:

Mr. Cameron (High Park) (chairman of the standing committee on justice and legal affairs):

That the first report of the standing committee on justice and legal affairs, presented to the house on Tuesday, April 26, 1966, be now concurred in.

Mr. Cameron (High Park): Mr. Speaker, I ask that the motion standing in my name be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

On the order:

Mr. Hales (chairman of the standing committee on public accounts):

That the first report of the standing committee on public accounts, presented to the house on Wednesday, April 27, 1966, be now concurred in.

That the second report of the standing committee on public accounts, presented to the house on Wednesday, April 27, 1966, be now concurred in.

Mr. Hales: Mr. Speaker, because of the time allotted to the supply motion I would ask that the two motions in my name be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

EXTERNAL AFFAIRS

ACTIVITIES IN CANADA OF U.S. INTELLIGENCE AGENCY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct a question to the Secretary of State for External Affairs. It has to do with one Eerik Heine, a Canadian citizen regarding whom libelous statements have allegedly been made by the C.I.A., the central intelligence agency of the United States, and disseminated throughout Canada to Estonian groups. These statements were to the effect that Heine was or is a communist agent.

I should like to ask the minister whether the Canadian government has sought information or made representations to the government of the United States regarding C.I.A. activities among immigrant groups in Canada; are such activities being carried on and, if so, are they being carried on with the cooperation and consent or permission of the government of Canada?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, this matter is being discussed with the government of the United States, and until those discussions have been completed I would prefer to withhold my reply.

UNITED NATIONS

CANADIAN ATTITUDE TOWARD ADMISSION OF MAINLAND CHINA

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, my question is for the right hon. Prime Minister. In view of his message to the world veterans federation urging that there be universal membership for the United Nations, I should like to ask the Prime Minister whether this means that the Canadian government will instruct its delegation to the United Nations to support the admission of mainland China.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it always has been the position of the Canadian government that the membership of the United Nations should be universal, and that there are disputes, and will be disputes, in the world which cannot be resolved or even assisted by the United this ideal soon will be realized, but there are not members of the United Nations. We hope this ideal soon will be realized, but there are certain conditions which have to be fulfilled before the membership of any particular country can be approved in the United Nations. I am thinking now of the government at Peking, and I understand discussions are going on at the moment with a view to that matter being considered at the next meeting of the assembly. I cannot add anything other than that statement.

Mr. Douglas: Mr. Speaker, may I ask a supplementary question. Since this matter might be facilitated if Canada followed the example of Great Britain, France and many other countries in establishing diplomatic relations with mainland China, are any steps being taken by the Canadian government at the present time to recognize mainland China and establish diplomatic relations with that country.

Mr. Pearson: No, Mr. Speaker; I cannot add anything to what has been said previously in respect of the establishment of diplomatic relations by Canada with the government of Peking.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, may I ask a supplementary question. I should like to ask the Prime Minister what are the conditions; would he elucidate. I think he has gone a long way further on this occasion than previously. What are the conditions? He mentioned the government at Peking, and I wonder whether he meant the government at Taiwan as being the area regarding which the conditions would be imposed.

Mr. Pearson: No, Mr. Speaker, I do not believe I have gone any further on this occasion than in the past when discussing this matter. One of the conditions for the entry of the Peking government into the United Nations would be the extent of the area covered by the writ of that government as a member of the United Nations, and the undesirability of taking any action which would establish the rule of the government of Peking over the people of Formosa without their consent.

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister.

Is it a fact that Communist China was recently invited by the Canadian government to open a trade mission in Ottawa and what was the reaction of Peking on this matter?

Mr. Speaker: I doubt that the question is in order.

[*English*]

Mr. Pearson: No, Mr. Speaker; I do not know of any offer of that kind.

[*Translation*]

Mr. Speaker: In any event, it seems that an answer has been given to the question, but I do not believe it was in order.

Inquiries of the Ministry

EDUCATION

RESPECT FOR PROVINCIAL RIGHTS IN FORTHCOMING DISCUSSIONS

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

In view of the fact that the Prime Minister announced that the main question to be considered at the federal-provincial conference in June will be assistance to university education, can he assure the house that exclusive provincial jurisdiction over education will be respected at that conference?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker; the constitutional position undoubtedly will be respected.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I have a supplementary question for the right hon. Prime Minister.

In that case, may I ask him what the federal government will be doing at a conference dealing with education.

Mr. Speaker: Order.

[*English*]

EXTERNAL AFFAIRS

VIET NAM—ACTIVITIES OF INTERNATIONAL CONTROL COMMISSION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the right hon. Prime Minister. In view of his statement on Saturday night, when he called for a cease fire or a more normal armistice agreement in Viet Nam; in view of the statement by President de Gaulle on Sunday that there was nothing which could be done in Viet Nam at this time, and the statement today by U Thant, the secretary general, that there is nothing the UN can do in respect of the Viet Nam situation, is there any comment from the Prime Minister regarding the statement from Peking that his proposal is nothing more than an American hoax?

Mr. Speaker: Order. I am sure the hon. member will agree that questions to the Prime Minister or the government asking whether they have any comment to make about a statement which has been made outside the house cannot be asked. The hon. member may wish to rephrase his question.

Inquiries of the Ministry

Mr. Thompson: Mr. Speaker, may I rephrase the question by asking the Prime Minister whether there has been any further contact with the UN or the international control commission in the efforts of Canada to bring about some kind of solution.

Right Hon. L. B. Pearson (Prime Minister): My statement on Saturday night certainly was not in any sense a United States or Canadian proposal; it was made in the light of the activities that are now going on with respect to a role for the international control commission in bringing about a negotiated settlement, and it was made also in the light of the discussions with the secretary general of the United Nations and others.

Mr. David Lewis (York South): Mr. Speaker, I have a supplementary question. May I direct my question to the Secretary of State for External Affairs. In view of the likelihood that the military escalation on both sides in Viet Nam may seriously jeopardize the efforts to which the right hon. gentleman referred a moment ago in respect of the international control commission, would he consider making representations to the administration in the United States to the effect that they reconsider the decision, reported in today's newspapers, to accelerate their military participation in Viet Nam?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, in a matter of this sort I think it is dangerous to rely on reports which appear in the newspapers before one has had a proper opportunity to examine their full import. In a matter of this sort I do not think conclusions should be drawn from such stories until there has been the fullest opportunity to examine all the circumstances.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I ask a supplementary question. I did in fact send notice of the question to the Secretary of State for External Affairs, but this arises out of the questions which have been asked of the Prime Minister. As the hon. member for Red Deer said, the secretary general of the United Nations is reported to have said, after discussions about Viet Nam with General de Gaulle, that for the time being he did not see any possibility of a new initiative on the part of anyone. I should like to ask the Secretary of State for External Affairs, in the light of this report, whether he believes the proposals of the Canadian government to use the international control commission to bring about negotiations to end the conflict in Viet Nam can serve a useful purpose.

[Mr. Speaker.]

Mr. Martin (Essex East): Mr. Speaker, this question has been dealt with in part by the Prime Minister. The hon. gentleman will recall that I indicated to the external affairs committee on Thursday last that we did not believe the time was opportune for calling a Geneva conference. I believe that what the secretary general had in mind was mainly related to that, but I can say that the difficult situation attending the possibility of calling such a conference in no way interferes with the Canadian proposal that there is a role for the commission to play in probing and seeking to narrow the differences between both sides. As a matter of fact, as the Prime Minister said, the secretary general strongly concurs with the ideas we have for the role of this commission in the circumstances prior to the calling of a general conference.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise on a point of order. I am wondering why questions based on the Prime Minister's speech to the world federation of veterans were ruled out of order yesterday, yet are in order today.

LABOUR RELATIONS

CHAIRMAN OF CONCILIATION BOARD IN RAILWAY UNION DISPUTE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Labour based on a report that the Canadian brotherhood of railway, transport and general workers has refused to endorse the nominee of the Minister of Labour, Judge Craig Munroe, as chairman of the conciliation board. What is the position now taken? Will the minister insist that Judge Munroe be chairman of that board, or will he submit another name for consideration?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am very glad this question has been asked. There are actually three conciliation boards. The requests from the railways and the unions regarding the chairman of the first two boards both called for Mr. Justice Munroe. It was following those requests that the announcement was made.

In respect of the third dispute, where conciliation has been requested, no approach has been made to Mr. Justice Munroe. Consideration will have to be given to the fact that

the parties involved have not been able to agree on a chairman, and the minister will have to accept his responsibility in this regard.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

QUEBEC—EXERCISE OF JURISDICTION OVER MANPOWER

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to put a question to the hon. Minister of Citizenship and Immigration.

Is the hon. minister acquainted with the statement made by Premier Jean Lesage to the effect that Quebec intends to exercise sole jurisdiction in manpower matters; is he willing to accept that stand in the formulation of his federal policy on manpower?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, I have read, like everyone else, a press report and as the matter is most important I shall wait till I have seen the text of Mr. Lesage's statement before making any comment whatsoever.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a supplementary question to the hon. minister?

Can he tell us when he intends to study the statement made by the Quebec premier, and when he intends to make his comments on it?

Mr. Marchand: Mr. Speaker, as soon as I can get a hold of the text and have a chance to read it.

Mr. Grégoire: May I put a supplementary question, Mr. Speaker?

Mr. Speaker: Order. No. I believe the question the hon. member has just asked was possibly or probably out of order. I do not think it should have been allowed and I would ask the hon. member not to continue with that type of question.

[*English*]

HIGHWAY SAFETY

RECALL OF DEFECTIVE AND UNSAFE AUTOMOBILES

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to address a question to the Minister of Industry relating to a subject on which he has been keeping the house informed from time to time. Has the minister any further information to give the house about the recall of defective Canadian cars in Canada?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, as I indicated the other day, the principal motor car manufacturers have been undertaking to recall all motor cars manufactured in Canada with defects, as they are doing in respect of those manufactured in the United States that have defects. If the hon. member would like a rather more detailed report I will be glad to see that one is provided to him.

AGRICULTURE

CHAROLAIS CATTLE—FREEDOM FROM DISEASE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to address a question to the Minister of Agriculture based on a report that the Charolais cattle, which have been quarantined since last autumn, are to be released today to the respective owners across Canada, and that these cattle will be kept in quarantine for an additional 90 days by those owners. Is the minister absolutely certain that these cattle are free of foot-and-mouth disease and that this disease will not be spread to other cattle in Canada as a result of this action at this time?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, these cattle have been under close quarantine at Grosse Ile for the prescribed period of time. Out of the total of 113 head quarantined at Grosse Ile, 109 have been released. Of the others one died, two reacted to T.B. tests and one reacted unfavourably to foot-and-mouth disease testings, but did not have foot-and-mouth disease. These are very stringent tests in regard to this disease and a further period of observation is necessary merely to assure that these very stringent tests are repeated, in order that we may be satisfied that everything is in order.

Mr. Starr: I have a supplementary question. In view of the fact that these cattle will be quarantined by the owners, will there be any government supervision and tests made during that period of quarantine, and will the cattle be released when it is absolutely certain they do not have this disease?

Mr. Greene: That is the practice, Mr. Speaker.

Inquiries of the Ministry

Mr. Starr: I have a further supplementary question. Can the minister say whether any of these cattle are eventually destined for shipment to the United States?

Mr. Greene: Once the cattle are clear of quarantine, being the property of the purchasers they will be disposed of as the purchasers see fit. If they are admissible to the United States they may be sold there.

Mr. A. D. Hales (Wellington South): I have a supplementary question, Mr. Speaker. Has the minister consulted with the United States department of agriculture in order that there will be no repercussions to our exports of Canadian cattle to the United States?

Mr. Greene: We have received no objections from the United States in this regard. I believe that when this program was entered into it was done with consultation with United States authorities.

WATER RESOURCES

NORTH SASKATCHEWAN RIVER—REQUEST FOR ACTION ON POLLUTION

On the orders of the day:

Mr. Reg Cantelon (Kindersley): Mr. Speaker, I have a question for the Prime Minister. Since Health Minister Steuart of the province of Saskatchewan said at North Battleford that the serious problem of water pollution in the North Saskatchewan river is the responsibility of the federal government, when may we expect some action from the government on water pollution?

Mr. Speaker: Order, please. This appears to be a very general question and I do not believe it should be asked at this time.

Mr. Cantelon: With all due respect, sir, this is a matter of some urgency, because unless something is done immediately these people along the North Saskatchewan river will have to drink water throughout next winter which is certainly unfit for human consumption.

Mr. Speaker: Perhaps the hon. member would like to debate the matter on the adjournment motion.

COAL

INQUIRY AS TO REPORT ON ASSISTANCE PROGRAM

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I should like to ask the Minister of Mines and Technical Surveys where the Donald report is.

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): It is on its way, Mr. Speaker.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I did not hear the answer, if the minister gave one.

Mr. Pepin: It is on its way.

HEALTH AND WELFARE

CONTROL OF IMPORTATION OF MISLABELLED FOREIGN DRUGS

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he has an answer now to the question I asked last week.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman asked last week whether checks had been completed concerning the importer of mislabelled drugs, and whether the importer had been delisted as an authorized supplier of drugs to Canada's armed forces.

The answer to the first part of the question is yes. Further checks have been completed, and the department has been advised that the firm in question is no longer in conformity with the Canadian government specifications board standard on the manufacture, control and distribution of drugs for supply to agencies of the government of Canada, including the Department of National Defence.

UNITED NATIONS

SUGGESTED CONTRIBUTION TO CAMPAIGN AGAINST ILLITERACY

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs, asking him whether the government will give consideration to the implementation of a policy such as that announced by the Shah of Iran under which an amount of money equal to one day's expenditure for defence would be allocated to the United Nations campaign against illiteracy.

Mr. Speaker: This question should be placed on the order paper.

CANADIAN BROADCASTING CORPORATION

REPORTED USE OF DRUG IN SCENE FOR "THIS HOUR HAS SEVEN DAYS"

On the orders of the day:

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, yesterday the hon. member for Yukon (Mr. Nielsen) brought to the attention of the chamber a rather unhappy story which was headlined in the Toronto *Telegram,* asking for information. The information I have for him is nothing particularly new, but I thought it should appear on the record after yesterday's query.

I am informed by the Canadian Broadcasting Corporation that it has noted the story published in the Toronto *Telegram,* which contains serious allegations. The matter has been referred to the Department of Justice, and on the advice of the department, because of the reference to the use of drugs, the C.B.C. has asked the Royal Canadian Mounted Police to conduct a full investigation.

I am further advised from sources outside the C.B.C. management that Mr. Leiterman and Miss Fox have instituted action and served notice of libel against the Toronto *Telegram* in respect of this story.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I thank the minister, but I heard that release on the radio this morning.

HOUSING

MORTGAGE LOANS TO BE MADE BY CORPORATION

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wonder if I might ask the Minister of Labour a question with reference to his announcement this afternoon. Can we interpret the announcement as meaning that under direct lending the same number of mortgage loans will be available, as distinct from the same amount of money?

Hon. J. R. Nicholson (Minister of Labour): The same number of mortgage loans will be available in order to provide a minimum of 31,500 houses. Apart from the guaranteed loans, these are direct loans.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have a supplementary question. Does the 31,500 refer to new loans to be made this year?

Inquiries of the Ministry

Mr. Nicholson: It refers to direct loans to be made by Central Mortgage and Housing Corporation.

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Minister of Labour. In giving out these N.H.A. loans, will areas with outstanding development of extensions, such as university communities, be given special preference?

Mr. Nicholson: Again, Mr. Speaker, I am very glad to have this question asked. This does not apply to housing for university areas at all; that is covered by special legislation which was passed in this house in 1964, and the funds were provided in the 1965 amendments. This type of housing, as well as housing for the elderly and lower income people, is in addition to the 31,500 direct loans.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Minister of Labour if the 15 per cent decline which he anticipates is to be in the private mortgage fund area of housing and, if so, whether that 15 per cent decline is based on an estimate after a survey among the insurance companies and lending institutions.

Mr. Speaker: Order, please. I have some doubts whether the type of question which is now being asked by the hon. member for Burnaby-Coquitlam, and other similar questions which have preceded it, should be accepted. It seems to me that if we get in the habit of allowing hon. members to ask a series of questions on announcements made on motions by the ministers, we will have daily debates on these announcements. It seems to me also that the information the hon. member is seeking now is not so urgently required that the question should be allowed at this time.

[*Translation*]

INDUSTRY

CANADAIR—PRODUCTION OF NEW VEHICLE FOR ARMED FORCES

On the orders of the day:

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to direct a question to the Minister of Industry.

Could he inform the house concerning a $2.7 million contract awarded to Canadair, in Montreal, to build a new vehicle and could he say whether this vehicle will be used by the Canadian Army.

Mr. Speaker: Perhaps the hon. member would like to put his question on the order paper.

Morality in Government

[*English*]

SUPPLY

The house resumed from Monday, May 2, consideration of the motion of Mr. Sharp for committee of supply, and the amendment thereto of Mr. Fairweather.

MORALITY IN GOVERNMENT AND PARLIAMENT—NEED FOR REFORM

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I feel I should begin by expressing my regret at not being here yesterday to listen to the speeches of the mover and seconder of the amendment. I must confess that my regret in that regard has been mitigated somewhat by the opportunity of reading the speeches in *Hansard*.

I shall do my best, Mr. Speaker, to deal with the facts of the situation which, according to the statements made in the house yesterday, have brought about this amendment. I recognize at once that I am handicapped in approaching this task; I must be handicapped in the eyes of the hon. member for Kamloops (Mr. Fulton) at least because according to him I have now reached my second childhood and should not be talking about things like this especially since, in his elegant words, I am at the moment bug-eyed from reading about sex.

I listened, Mr. Speaker, on Sunday night to the hon. member talk on television about improving the character of politics and the atmosphere of parliament. This is the kind of language about a prime minister in this country, whoever he may be, which, of course, elevates political life in Canada. I warn my hon. friend that if he is not careful he will soon rival the picturesque and at times offensive extravagances of the hon. member for Qu'Appelle (Mr. Hamilton).

The mover of this amendment said the institution of parliament is on trial, and he is quite right. It is indeed and in many ways not mentioned by him yesterday. In moving this amendment he was not, of course, dealing with those ways. There is a relation between amendments and these other pressures on parliament which in my view are weakening it as an institution. One of these pressures is our ability to get things done, to adapt our procedures to the requirements, and the struggle in this regard is often referred to as a deterioration of parliamentary action and parliamentary atmosphere, which is not in any sense peculiar to Canada.

All those who have been reading the London *Times* and other United Kingdom papers in the last week or two will have noted that they have been philosophizing about the opening of parliament in that country after the last election and the work which is before it. They have been expressing doubts about the ability of the mother of parliaments to deal with all the important matters with which it should be dealing. I believe that we can adapt ourselves to these changes, but to do that we have to change ourselves and yet change in a way which will not betray but will retain democratic elective control over the executive and protect always the fundamental rights of the individual against the executive or against anybody or anything else.

• (3:30 p.m.)

I am just as concerned, Mr. Speaker, about the preservation of the rights of parliament and of the individual as any member in this house. I share that concern, I am sure, with all members of this house. The hon. member for Royal (Mr. Fairweather) has cited as evidence of his uneasiness, which has resulted in this amendment, certain things that have been going on in a royal commission of inquiry. In producing his amendment and bringing his subject to our attention, he did not wait until that inquiry was completed, until all the evidence was in and the examination of witnesses or re-examination of witnesses was completed. He based his motion on one day's evidence and made statements about that evidence which I consider to be tendentious, and in my view he has drawn some unwarranted conclusions from that evidence.

Then, Mr. Speaker, the hon. member and his friends, having interpreted this particular piece of evidence as they saw fit and I or any other member of the government having said nothing about it in the house in answer to questions because Mr. Speaker ruled the questions out of order, complain that, in his words, an unnamed spokesman for the government dared to give another interpretation in defence against distortion and misrepresentation of the position as we see it.

The hon. member is concerned, he says, and I know he is because he has given evidence of this over the months and years he has been in political life, about morality in government. So am I, Mr. Speaker, and I think I have shown my concern. I wish the hon. member had been able to postpone his expression of this concern in this particular instance until the evidence was in. The hon.

member for Brandon-Souris (Mr. Dinsdale), who seconded the motion, made certain remarks which I am going to quote:

> —I am going to deal with. . . the violation of the rights and privileges of private members in this house.
>
> I shall tie that into the tactics that have been referred to whereby the R.C.M.P. has been used to investigate the background and past activities of hon. members for the sake of personal persecution, blackmail or for whatever the purpose might be.

This is a statement made by my hon. friend about the R.C.M.P. and its investigations. If this were so, Mr. Speaker, the investigation into this particular case which is before us, the Munsinger case, was conducted not by this government but by one of which he was a member in the course of the legitimate discharge of their responsibilities for security and administering the law but not, I am sure, for the purposes he mentions.

Perhaps my hon. friends could remain quiet for a few moments while I continue my speech. They will have an opportunity to participate.

Mr. Dinsdale: Since the Prime Minister has made remarks with reference to me may I ask, did he or did he not ask the R.C.M.P. for this information?

Mr. Pearson: If my hon. friend will wait he will find out.

Mr. Starr: Yes or no.

Mr. Pearson: He will find out. My hon. friend in his remarks did not say that. He said:

> I shall tie that into the tactics that have been referred to whereby the R.C.M.P. has been used to investigate the background and past activities of hon. members for the sake of personal persecution, blackmail or for whatever the purpose might be.

Mr. Dinsdale: That is what the amendment says.

Mr. Pearson: It does, and I shall deal with it.

Mr. Dinsdale: Don't take my words out of context, as you have done in many instances.

Mr. Speaker: Order.

Mr. Dinsdale: Don't take my words out of context.

Mr. Speaker: Order, please. I should like to remind hon. members that the right hon. Prime Minister has the floor and should be allowed to make his statement.

Mr. Pearson: In the case we are considering, what is known as the Munsinger case, the R.C.M.P. were used exclusively in the investigations for the legitimate purpose of security. They had no other purpose in their actions and it would have been intolerable if there had been any other purpose. The operation of the police as a security service has only one purpose, that is, the defence of the country, and any interfering with any person must never go beyond that fundamental purpose, the defense of the country against subversive activities within and from without. These activities have nothing to do with a man's politics or morals or actions except when they are related to this primary security purpose.

I want to say a word now about a question that has been raised, though it was not raised in the debate yesterday but outside the house, about the propriety of the use by one government of reports and information bearing on the operations of a previous government. There are many reports and documents and, indeed, the great majority of reports, documents and records are quite proper to be brought to the attention of a government even if they concern activities during a previous administration. This is done and has been done since confederation as a normal aspect of governmental administration. Administration records, including inquiries and investigations and reports, can be used in this way except, and the exception is a very important one, memoranda to the cabinet, to cabinet committees, and records of discussions of the cabinet or cabinet committees they cannot be properly used. These cabinet papers may not even be seen by the successor government. Letters of understanding to this effect were exchanged when governments changed in Canada in 1957 and again in 1963. Cabinet and cabinet committee material will not be produced for a successor government by the secretary of the cabinet even if, which is inconceivable, a minister or prime minister should ask for it.

Other records are of a different character. In the Munsinger case, for instance, it was quite proper for the Royal Canadian Mounted Police in their investigation to secure any immigration records concerning this case that covered the period of the previous Liberal government, and to show them to any minister of the succeeding government, and for that government to use them in the proper way. Such information and reports can be examined in this way, can be used in debate

or discussion, even if they concern the actions of a preceding government—if they are of a kind that can be properly used and if they deal with matters pertaining to the current administration. The nature of the information, the nature, not the time covered by it, is a governing consideration.

The orders for the tabling of papers prove this every day in the week in the House of Commons, Mr. Speaker. In this session the opposition have demanded not only agreements concluded with other governments, provincial or foreign, but they have asked that discussions and working papers leading up to these negotiations be made public. This is quite a proper use of reports, inquiries, memoranda, files and so on, whatever previous period they cover, if they could properly be used in any period. It is quite proper to ask for and to see reports of police inquiries that have been made.

• (3:40 p.m.)

This is done by every government. It was done by me not very long ago, Mr. Speaker, in the case of Victor Spencer, with the knowledge and approval of the opposition. The reports in this case also covered a period when we were not in office.

Would it not have been perfectly proper for me to have seen these documents even if a member of parliament had been mentioned in them as having intervened? There was no such mention, Mr. Speaker, but if there had been such mention, in my view it would have been perfectly proper for me to examine these documents.

Those, Mr. Speaker, are the principles in regard to the use of material of the kind I have been discussing, and I have followed these principles in the situation under consideration to which reference has been made, though it is not specifically referred to, of course, in the amendment.

Now, Mr. Speaker, let me look at the amendment. It reads as follows:

> This house strongly deplores and condemns this government's actions in having the R.C.M. Police provide information to the government as to the past conduct of all members of parliament generally, a course of action which would destroy the independence of all members and undermine the institution of parliament.

That might well have been the result, Mr. Speaker, if that had been the action which was taken. But the R.C.M.P. were not asked by me or by any one else to provide information to the government as to the past conduct of all members of parliament generally. That would indeed be an indefensible and shocking request which would go against all the rights of parliament and the rights of the individual; it would be a quite improper use by the executive of the powers of the police. But as I say, that request was not made.

Nor would it ever be made, Mr. Speaker, by any government of which I was the head. Our record as a government in defending the rights of parliament and the rights of the individual is a good one, and I do not propose to be apologetic about it any way, shape or form.

Within a few months of taking office, Mr. Speaker, we examined security regulations, the conduct of security investigations and the procedures of security investigations. We examined them and we altered them in the interests of liberalizing—and I use the word with a small "l"—the regulations to bring about greater protection of individual rights.

We are concerned, Mr. Speaker, with parliamentary and individual rights and parliamentary and individual privileges always being respected by government. We have already altered, as I have said, our security procedures to strengthen safeguards. A statement in great detail was made in this regard by the former minister of justice and by myself in this house in 1963. We are now in the process, which I hope will become completed very shortly, of setting up a royal commission to examine into general security procedures, which will include the conduct of inquiries. I think that will be a step forward too.

Now let us look at the particular situation at the end of November, 1964 which, while not specifically mentioned in this amendment, was undoubtedly in the minds of those who moved and seconded the amendment. At that time, Mr. Speaker, I asked for the results of inquiries that had been made. I did not ask, of course, for inquiries to be made. I asked for the results of inquiries that had been made in regard to particular conduct and dealing with particular matters.

Mr. Diefenbaker: Which ones?

Mr. Pearson: Mr. Speaker, I will be very glad, if my right hon. friend will contain himself—

Mr. Diefenbaker: I want to get the truth.

Some hon. Members: Oh, oh.

Mr. Pearson: Mr. Speaker, I am delighted at my right hon. friend's determination to get the truth, and I think he will get it. As

Disraeli once said to an interrupter in the British House of Commons: "Truth travels slowly, my friend, but I think it will reach even you in time".

Mr. Diefenbaker: That quotation has been used over and over again over the years.

Mr. Pearson: Perhaps my right hon. friend will just contain himself for a short time and then he will be able to spend the rest of the afternoon speaking, and I know how he loves to do that.

Mr. Diefenbaker: I have the evidence here.

Mr. Pearson: What concerned me, Mr. Speaker, at the end of 1964 and what I sought, was information as to the extent to which over a period of ten years there had been political intervention or attempted political intervention in police investigations, in the administration of justice and in our processes of law, to determine to what extent there had been abuse of position.

At that time—most hon. members in this house ought to remember this because they were here—very serious allegations were made to the effect that a minister had intervened for political reasons in a police investigation. At that time there were allegations that at least one member of parliament had attempted to intervene in the administration of justice. At that time, Mr. Speaker, I had learned that my own parliamentary secretary had made certain telephone calls, and on learning that this was so I called him in and received from him first hand evidence of his indiscretion; and I asked him to resign that afternoon and to inform the house that very day. I did so not because he was guilty of wrongdoing, but because he had left himself open to the charge of improper exercise of authority in his position.

At that time, Mr. Speaker—I have the record here but I do not want to take up too much time of the house by putting examples on the record—there were allegations of pressures brought to bear on members of parliament by criminals, by the underworld. At that time we were setting up the Dorion inquiry. All these allegations and disclosures were made and continued to be made for months after this period until we reached the point where my hon. friend, from Brandon-Souris, who himself spoke last night, said that there was a lack of integrity in high places in the government. That was a very mild statement compared with other things which were said about us afterwards and during the election campaign.

At that time the Leader of the Opposition said that this house, as the supreme court of parliament, has the right to know that justice is administered without fear or favour, that it has the right to know that the administration of justice shall not depend on the persuasion—he meant political persuasion, I suppose—of alleged wrongdoers, that it has the right to know that it will not be strangled by the concealment of facts.

This, Mr. Speaker, was the background to the request which I made. All of these allegations and charges worried me as they must have worried every other member of parliament. But perhaps they worried me most of all. That is why I asked for information, if there was any such information, about other cases which were in any way similar, or which were related to these charges in which members of parliament were involved.

• (3:50 p.m.)

I thought I had to know the nature and the magnitude of this problem. It was my duty to make inquiries and to try to find out. I was as deeply disturbed as any member of this house by the disclosures of pressures on members of parliament by dubious and, at times, criminal elements. I was deeply disturbed, as it was my duty to be, by the allegations which had been made. Was the situation regarding interference by members of parliament as bad as was being painted? I decided to try to find out from the facts as disclosed in the record.

So I asked, Mr. Speaker, not for any new inquiries to be made, not for the police to report on or look into the private conduct of members of parliament, not to search for personal scandals, but to give me a record whether there had been in the past the kind of contact with dubious and criminal elements now charged, reports of which had been increasing month by month. How deep did this sort of thing go? Was parliament becoming a victim to criminal pressures? That was demanded by the opposition: that we investigate, that we look into these matters.

My request, Mr. Speaker, and I made it, was not for information about the Munsinger case. I have learned since that at that time many people apparently knew something about the case. Apparently rumours and gossip were rife even then. I knew nothing about that case. I had never heard the name so I could not possibly have had this case in mind when I made this inquiry.

Some hon. Members: Oh, oh.

Mr. Pearson: That happens to be the literal and absolute truth. My request, Mr. Speaker, was not for information about a particular case. My request through the Minister of Justice, whom I consulted first because he was the minister responsible for the R.C.M.P., was that the R.C.M.P. search their records and give me evidence, if there was such evidence, of other cases, beginning with the government, that they had investigated in which members of parliament, whether ministers or not, were in any way involved or mentioned in connection with this kind of thing. I wanted to get information on the nature and the magnitude of this problem. It was my duty to try to secure that information and to make sure, Mr. Speaker—and I have witnesses to this statement and to other statements I have been making because these meetings were not held in the presence of only one person—that the request for the records, which I claim to be a perfectly proper procedure in the circumstances, covered a period when both parties were in power. I asked those who had compiled the records to go back ten years, so that it would not look as if I were just delving into the records of the previous government's time.

Some hon. Members: Oh, oh.

Mr. Pearson: My hon. friends may scoff at this sort of thing. Perhaps it is not the kind of procedure they would have followed if they were asking for records.

Some hon. Members: Oh, oh.

Mr. Pearson: My own notes, made at the time—and I made notes at the time, and of the discussions I had with the commissioner of the R.C.M. Police and the secretary of the Privy Council who was present—made my own purposes quite clear.

Mr. Grégoire: May I ask a question of the Prime Minister?

Mr. Pearson: Yes.

Mr. Grégoire: Did the R.C.M.P. give to the Prime Minister other files at that time besides the Munsinger file?

Mr. Pearson: I am just coming to that.

Mr. Churchill: How many have you got?

Mr. Pearson: It is a laughing matter to my hon. friend but it will not be, as the matter develops.

Mr. Churchill: It is not a laughing matter.

Mr. Diefenbaker: It is not.

[Mr. Pearson.]

Mr. Pearson: Mr. Speaker, my first request was made toward the end of November. The commissioner of the R.C.M.P. has indicated it was December 2nd that we met. He told me at that time that he had conducted a search and had looked into the records and that there was only one case of any significance at all, although he mentioned two or three that were quite inconsequential in which an hon. member's name happened to be mentioned in a very inoffensive or innocent way. There was only one case, so he told me, of any significance or consequence, in the inquiries that had been made in which an hon. member was involved. I found this report, Mr. Speaker, very reassuring indeed in respect of the involvement of hon. members generally in the kinds of things which were being talked about at that time and have been talked about, indeed, subsequently.

On this particular case the commissioner of the R.C.M.P. left a memorandum with me. It was not a file. I have never seen the file in this case and I have never asked for it. I saw a memorandum made by the police or a copy of it, a précis, if you like. This copy of the memorandum or précis of the file was left with me by the commissioner. The Clerk of the Privy Council, who is the chairman of the security committee of the government, was present when I received this memorandum. I studied that memorandum that evening, December 2, and I realized at once its importance from a security point of view.

Surely there is no doubt, Mr. Speaker, in the minds of hon. members that this particular case was an important one from a security point of view. That is the consideration that mattered in this case and the only consideration.

Mr. Churchill: You took no action.

Mr. Pearson: It was the only consideration that mattered. This is a far cry from the picture that has been painted by some hon. members, by some persons outside the house and by this amendment, of the Prime Minister asking that the private lives of all members of this house be investigated.

At the beginning of December, Mr. Speaker, as I considered it to be my duty, I advised the right hon. Leader of the Opposition about my great concern in respect of the one case that had been brought to my attention and about the situation generally. I told him about the information I had been getting and about my reasons for making the inquiry. Having also advised him that there

was only one case reported to me of any substance or consequence, and that that case gave me very great concern because it affected the security of our country, I asked him if he had anything to add to the information given to me by the R.C.M.P. as he was the prime minister at the time. I considered, Mr. Speaker, that that was the right course of action to take in the circumstances.

• (4:00 p.m.)

The next question concerns allegations that I personally or, if you like, as Prime Minister, kept possession of the R.C.M.P. Munsinger file from December, 1964, until the beginning of April, 1966. I have already pointed out, Mr. Speaker, that at no time has the R.C.M.P. file in this case been in my personal possession. All I had was a memorandum, a précis of the file. I did not keep that memorandum on my desk, as has been alleged, or in my files, as has been suggested in comments here and in the press. I turned it over, immediately I read it, to the chairman of the government security panel for safekeeping, assuming it would either be returned by him to the R.C.M.P. or would be locked up by him in a safe in the Privy Council office. And that is where it was. The Clerk of the Privy Council, who as I have said is chairman of the government security panel, did lock it up in a safe and the memorandum remained in that custody until the R.C.M.P. sent for it early in April by messenger—not to my office, because they knew where it was, but by a message to the Privy Council office. That ought to dispose of that particular point, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Starr: You hope it does.

Mr. Pearson: I hope no one will accuse the secretary of the cabinet, Clerk of the Privy Council and chairman of the security panel, of acting improperly in retaining custody of a memorandum on an R.C.M.P. security file, the original of which was with the R.C.M.P.

I never used that memorandum. It was never circulated. So far as I was concerned, it did not deal with a case involving the private and personal activities of anybody; it was a serious security matter and it was considered by me as such, and only as such.

An hon. Member: For 16 months.

Mr. Pearson: Yes, Mr. Speaker, it was kept there for 15 months and if the hon. member will follow some of the evidence which is being given now, he will find out it was kept for longer than that in other places, before—

Some hon. Members: Hear, hear.

Mr. Pearson: —but in circumstances very different from those which existed when the government had changed hands and the ministry had changed. Very different, indeed.

The next question concerns the allegation that I knew in advance that this matter was going to be thrown into debate, that the name Monseignor or Munsinger would be mentioned in this house, that this was all part of a carefully calculated plot and that I had been holding the document on my desk waiting to produce it as part of that plot. The Minister of Justice (Mr. Cardin) in March, after vigorous attacks against him, including personal attacks to which he was vigorously replying—having been called among other things a dwarf in giant's clothing—did, I admit, when goaded beyond exasperation, blurt out this name.

Some hon. Members: Oh, oh.

Mr. Churchill: Don't ask us to believe that.

Mr. Pearson: I do not ask the hon. gentleman to believe anything because it would be quite impossible for him to believe anything from this side. He has been conditioned to disbelief for too long.

It has been said here and in some press and other comment—and I wish to repeat this—that I knew this was going to happen. Mr. Speaker, I had no knowledge, of any kind, that this name was going to be mentioned in any debate. That is my statement, and I stand on it and my reputation stands on it.

Some hon. Members: Hear, Hear.

Mr. Pearson: The right hon. gentleman who is scribbling notes down has undoubtedly put down: "Well, he applauded; he applauded when the Minister of Justice was speaking."

Indeed, I did applaud when the Minister of Justice was speaking. I applauded when the Minister of Justice was defending himself so vigorously against the attacks which had been made on him. I applauded when he suggested that the right hon. gentleman opposite was the last to criticize this government's handling of security cases. But if hon. members opposite will read *Hansard*—perhaps they have already done so—they will soon find out that the indications of approbation, as they have been called, were all before the word "Munsinger" was mentioned, not afterward, and *Hansard*, page 2211, March 4, 1966, will show that this was the case.

An hon. Member: You will have to do better than that.

Mr. Pearson: I heard someone say: "You will have to do better than that." What I am doing is telling the facts—

Some hon. Members: Hear, hear.

Mr. Pearson: —and if it can be shown that any statement I am making today is not a fact or that it is untrue, then I stake my reputation on that. I cannot do more than that.

Some hon. Members: Hear, hear.

Mr. Pearson: There are many questions being asked in this house and in the press. Many of the answers to these questions will, I think, be given in the course of the inquiry which is now in the process of being conducted. Those questions which I have felt I could answer without infringing the responsibility of that inquiry, I have tried to answer, and I will summarize those answers in very simple language which will state my position clearly on this matter.

First, we should ask ourselves and have, indeed, asked ourselves: Has the R.C.M.P. ever been ordered by the Prime Minister or anyone on behalf of the Prime Minister to inquire into the private lives and activities of any member of parliament? The answer is, no.

Second, did the Prime Minister keep in his possession or in the files of his own office any report by the R.C.M.P. or anyone else on the Munsinger case? The answer is, no.

Third, did the Prime Minister have any knowledge of any kind that the name Munsinger was to be mentioned in any debate in this house? Again, the answer is, no.

Fourth, did the government, as the amendment before this house alleges, have the R.C.M.P. provide information to the government as to the past conduct of all members of parliament? The answer, Mr. Speaker, is, no.

I know that these questions and variations of them have been asked as a result of interpretations placed on evidence which has now been given before Mr. Justice Spence. As you have ruled, Mr. Speaker, and, indeed, as my principles dictate, I cannot discuss the evidence placed before that commission of inquiry. I wish I could and perhaps the time will come when I can. But the interpretation placed on that evidence to date has gone far beyond the evidence itself and questions are being asked concerning my motives and my actions at the end of November, 1964, in connection with this particular inquiry. These I have done my best to deal with.

I submit that my motives in asking for that inquiry were understandable and were honourable and that this amendment, which is inaccurate and false in its very wording, should not meet the approval of the house. I ask the house to vote against it.

Some hon. Members: Hear, hear.

• (4:10 p.m.)

Mr. Douglas: Before the Prime Minister takes his seat may I be permitted to ask him a question which I think is important since all of us are trying to understand his statement fully? The Prime Minister said he kept notes of his conversation with the commissioner of the R.C.M.P. I ask the Prime Minister if the notes he kept confirm the statement which was made by the commissioner when he said, "I was then asked if I had any information indicating any impropriety or anything of a scandalous nature involving any member of parliament in any party over the last ten years." I want to ask the Prime Minister if that statement corresponds to the request which the Prime Minister made to the commissioner, according to the notes which the Prime Minister has retained?

Mr. Pearson: No, they do not correspond, Mr. Speaker; quite the contrary. I am not quarreling and have no right to quarrel with the commissioner's evidence—I am not sure I should even comment on it—but if the commissioner is referring to personal improprieties and personal scandals, there is nothing in my notes to confirm that. If he was talking about scandal in the sense of the Rivard scandal, and at that time the word "scandal" was being tossed about in this house without any reference except to political scandal, if the commissioner was referring to that kind of scandal I was looking for that kind in the relation of members of parliament with government departments and their intervention on behalf of dubious elements. That is the kind of thing I was looking for because that is the kind of thing that was being talked about every day and with which we were being charged.

Mr. Dinsdale: I wonder whether the Prime Minister would accept another question. If the part he played in these matters is as pure and innocent as he indicates, how is it that the Minister of Fisheries on December 14, 1964, could approach me with a threat of dire consequences about something I had done

which he did not reveal to me and which, in the light of later revelations, could only come from these files that we are talking about?

Mr. Robichaud: On a question of privilege, Mr. Speaker, the hon. member tried to make such an accusation last night which I denied personally, and again I would ask him to prove it.

Mr. Starr: You are all denying everything.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, my first reference will be one of agreement with the Prime Minister (Mr. Pearson) on the statement he made early in his remarks regarding parliament. He pointed out that everywhere parliament is being judged, that criticism is strong of parliament, that this is nothing novel, that we in Canada face criticism and that in recent months there is hardly a newspaper in the United Kingdom that has not spoken out against parliament.

This has become a course of action. It has become a standard practice. This has been the situation throughout the years. Parliament has always been condemned but, strangely enough, parliament, condemned as it has been, carried out its mission in two world wars and preserved freedom.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I think those who would change it and bring about an alteration of its mission, those who are everlastingly arguing that it should be reformed, fail to recall its functions, fail to recognize that while in the course of debate strong arguments are used all of us recognize that our political opponents are individuals who are trying to do what they can for their country, and we do not have recourse to secret police to undermine and destroy the reputations of our fellow members.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I have before me a copy of the *Daily Mail*. I am going to quote only a very few lines in this connection from an article headed, "Reform It Now—The House of Decay, Incompetence and Fully Justified Ill Repute". The article says in part:

> . . . the House of Commons is today in a state of decay incompetence and fully justified ill repute, worse than at any time since the worst days of George III.

Then it goes on to say that parliament, referring to the parliament of Westminster, year by year is sinking in the general regard of the people. I do not believe that. I could not be more in agreement with the Secretary of State for External Affairs (Mr. Martin) when he spoke last evening. With his long years of experience and being now removed from politics—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —he was able to speak of parliament in an objective way and, indeed, in a manner that indicated that he has not the eye or rather the ear of the Prime Minister, for the things that have been done cannot be laughed off.

The Prime Minister produced a chestnut regarding truth which has been used over and over again, usually in county councils. I am glad the Prime Minister found it necessary to resurrect it. We want the truth. We are asking for the truth. I listened to him today and I could not help but go back to that momentous day in April, 1963, when he said that what was going to come was "a time to excite the daring, to test the strong, and to give new promise to the timid". There was none of that today. There was an apologia, a speech that consisted in the main of confession with avoidance of responsibility. He has placed the commissioner of the R.C.M.P. in the dock and has in effect said of him that his evidence was false.

Mr. Pearson: Not true.

Mr. Diefenbaker: I want to make that very clear and I am going to quote from it.

Mr. Pearson: Not true.

Mr. Diefenbaker: I am not going to generalize. I am going to quote from it.

• (4:20 p.m.)

Sir, I would have thought he would have risen and said—he couldn't have done it though—well, we all in the course of life suddenly under the impetus of the moment act in a way which is contrary to our whole being. As a sort of revelation, the evidence before the commission shows that what was done, in spite of all the elaboration in words, was calculated and contrived to annihilate political opponents, and this by a Prime Minister who talks of the new politics.

An hon. Member: New, all right.

Mr. Diefenbaker: He wanted to use this as a club; that is what he wanted. He applauded the Minister of Justice (Mr. Cardin) on two

occasions when the Minister of Justice was making the most irresponsible statements last March. Sir, the Borgias used to poison their political adversaries. Today what has been done in this case has been to poison the arteries of parliaments probity.

The Prime Minister's speech was an alibi of tortured guilt. He was attempting to explain the unexplainable. The words he used bear no resemblance to the evidence given before the commission by the R.C.M.P. commissioner. It is very obvious that throughout the picture the Prime Minister was in the wings. The Minister of Justice struck. They decided on a policy of smear and run and then appointed a commission which the Prime Minister says protects the rights of individuals. I shall deal with that. It was not just a thing of the moment; it was not spontaneously aroused or provoked. It was a deliberate and planned campaign to destroy by inference, to befoul and besmirch by innuendo and thus bring about the destruction of political opponents.

The Prime Minister said he told me about this matter in the summer of 1964. He is wrong. No reference was made to it by the Prime Minister until I was ill, I think in February, 1965, when he wrote me. Oh, yes, there was a letter, but I do not have a copy.

Mr. Pearson: The letter was dated December 4, 1964.

Mr. Diefenbaker: I do not care what the date was.

Mr. Starr: That does not means you mailed it.

Mr. Diefenbaker: The Prime Minister has forgotten. He knows that when it was delivered to me it was delivered to my home by a secret messenger.

Mr. Pearson: The Leader of the Opposition called on me on December 10 and talked about the letter.

Mr. Diefenbaker: Now we are going to get truth. I went to see the Prime Minister. He said he was going to get to the bottom of something. He did not indicate what it was but it was apparently this case. I said, "Go ahead, carry on". He said, "I have looked it over and there is no suggestion of any breach of security so let us forget about it." I never heard from him from that date until the matter was used. He said to me he had to write the letter because he was a diplomat. I say the letter was written by a lawyer, and the identification and the words of that letter owed their paternity to the former minister of justice. I said at the time, "If you want to go into these things, let us go into them." He said, "Let us forget about it; there was no breach of security." I went on to say that some of the hon. gentlemen sitting opposite might be interested. He said, "You know we do have troubles with our cabinet ministers". He knew what he was talking about.

Mr. Pearson: Mr. Speaker, I wish to rise on a question of privilege. The right hon. gentleman has stated that I sent him a letter which he received in February, 1965, and that he must have discussed it with me afterwards. I have a copy of a letter which was delivered to him and it is dated December 4, 1964. He called my office and discussed it and the security aspects on December 10, 1964.

Mr. Diefenbaker: The Prime Minister, who through the years has followed a course of endeavouring to bulldoze, brickbat and put fear into one's heart—when I discussed the matter with him said, "Forget about it". That is what he said. He never mentioned the matter again until it came up in the house. That is the old, old stunt of trying by underhanded means to put fear into the hearts of political opponents. That is what he did; yet he says he did not know anything about the Munsinger case. When the present Minister of Justice held this famous press conference there was an official from the Prime Minister's office present and a tape recorder from the Prime Minister's office. What was that for? Was that just prescience on the part of one of the employees or was it in fact with the knowledge of the Prime Minister?

I am going to deal with the sequence of events, because I am surprised to find the Prime Minister denying the record.

Mr. Pearson: On a question of privilege—

Mr. Diefenbaker: Will the right hon. the Prime Minister take his seat?

Mr. Pearson: On a question of privilege, the right hon. gentleman has referred and I have referred to a particular letter marked "confidential" from one privy councillor to another. Would he agree to have the confidential character of the letter removed so that the letter could be tabled and made public?

Mr. Diefenbaker: The right hon. gentleman says it was confidential and then in the house he related that he was in touch with me. What goes on? This is exactly the kind of insidious thing that the Prime Minister does. Indeed, all through the years he has been talking about destroying the leader of the Conservative party and on September 18, 1963, he said, "I think we have him about destroyed." I dislike bringing that up.

Mr. Favreau: Where are you quoting from?

Mr. Diefenbaker: I dislike bringing that up. All we have to do is look at this speech. We can read exactly what happened. Let us find out the order. On November 23, 1964, the hon. member for Yukon (Mr. Nielsen) made certain charges in the house. On November 24 Mr. Rouleau resigned. I do not know anything of the circumstances of that. Mention was made of it, but I seem to recall that the then minister of justice told the Prime Minister about the Rivard case back in September on an air trip from the Maritimes and he forgot about it. He put it in the outer recesses of his mind and forgot about it.

• (4:30 p.m.)

On November 25 the first terms of reference in connection with the Rivard matter were presented and on November 27 the revised terms of reference were presented to parliament. This is all coincidence. The Prime Minister would have us believe that. He was apparently away for a few days on a trip, but then on November 29 or November 30 a meeting took place attended by the Prime Minister, the then minister of justice, the Clerk of the Privy Council and the commissioner of the R.C.M.P.

On December 1 assistant commissioner Kelly, who is in charge of security, brought the report on the Munsinger case to the minister of justice and on December 2 the file went to the Prime Minister. He now finds himself in the difficult position of having to explain why this whole matter took 15 months to incubate. The Prime Minister says that the report was not on his desk and not in his possession but in the possession of the Clerk of the Privy Council. Let us just follow the course of events. It was on March 4, 1966, that the present Minister of Justice (Mr. Cardin) first mentioned the word "Monseignor" or "Munsinger" in this house. On January 31 and on February 28 the minister made oblique references to a case which occurred when the former government was in power. Just a few days before, according to a statement made in the house on March 14 by the hon. member for Kamloops (Mr. Fulton), the President of the Privy Council (Mr. Favreau) sought an interview with that hon. member and warned him about the Munsinger case and its implications, which would apparently be brought to light if the Conservative opposition continued to press the government about the Spencer case.

Mr. Favreau: That is all wrong, of course.

Mr. Diefenbaker: The President of the Privy Council says this is all wrong. He is the last person in the world who should talk about wrong. All I wish to say in this connection is that it is a strange coincidence that just at that time, following the threat of blackmail made by the President of the Privy Council—described by the hon. member for Kamloops—things started to happen.

On March 9 the Minister of Justice in an interview with the *Globe and Mail* said that the Munsinger case was worse than the Profumo case. On March 10 he held a press conference and revealed information of a security nature affecting the reputation of the former government. That is a strange coincidence when one considers the course of events I have mentioned. This information was available but withheld to be used at a time when it would be most effective. On March 10 the Prime Minister said there has been a stigma placed on the Liberal party. The Minister of Justice gave us to understand by his attitude and his actions that they had something they were going to spring. The evidence about the meeting to which I referred indicates that the Prime Minister was aroused and disturbed and of course never thought he would be doing anything wrong to members of the house. He met with the Minister of Justice, the chairman of security panel and the commissioner of police. Today the Prime Minister avers that we must be very careful to say nothing against the R.C.M.P. I say that the Prime Minister endeavoured to use the R.C.M.P. as a political police force, which is something that will be resented by all Canadians.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Why were these four persons gathered together? They were not gathered together for the protection of the nation, they were not gathered together for

the betterment of the administration of justice. The only purpose they had in mind was to decide that the time had arrived when it was politically advantageous to bring this case to light. We should never have heard of the meeting and it would have been lost to posterity had it not been for the fact that an examination of the records brought it to light.

As the commissioner of the R.C.M.P related his story before the inquiry, he was asked whether this information regarding the Munsinger case had ever been brought to the attention of Mr. Chevrier when he was minister of justice, and the answer was in the negative. The same question was asked in relation to the present President of the Privy Council and the commissioner stated that the information was given to him on December 1, 1964.

It was on that date that the assistant commissioner, Mr. Kelly, according to the commissioner, was told by the Prime Minister, to discuss this case with the President of the Privy Council. We now begin to see the course. I should like to read what actually took place as reported in the press.

Some hon. Members: Oh, oh.

Mr. Starr: This is what was reported in the press.

Mr. Diefenbaker: Does the Prime Minister say what has been reported by the press is not relevant? These reports relate to an open hearing, not a secret one. This is the one thing that came out into the open that would have been concealed if the attempts had been successful to establish secrecy in this commission. In that event the Canadian people would have received this story haphazardly. There is no false notion in this nation in respect of the political implications. The press of this nation is appalled that anyone occupying a high position such as the Prime Minister should be in the invidious position in which he now finds himself.

Mr. Pickersgill: Mr. Speaker, I wonder whether the right hon. gentleman would—

Mr. Diefenbaker: Just a minute. The Prime Minister said he did not want to be interrupted and I do not—

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

An hon. Member: There is no point of order.

Mr. Speaker: Order, please. The minister is rising on a point of order.

[Mr. Diefenbaker.]

Mr. Pickersgill: Mr. Speaker, my point of order is a very simple one. The right hon. gentleman is purporting to read from a document and I think the house is entitled to know what the document is. I believe the right hon. gentleman said it was a press report. We should, therefore, know precisely what newspaper it is so that it will be identified and can be referred to by hon. members for the purposes of this debate which ends at 8.15 p.m. today. I hope the right hon. gentleman will give us that information because, and this is part of my point of order, sir, the right hon. gentleman must vouch for the absolute accuracy of the press report compared with what may be shown by a transcript of the evidence.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Does the right hon. gentleman vouch for the accuracy of the report to which he refers?

Mr. Speaker: Order, please. Perhaps there is a point of order in respect of the first question raised by the minister. However, I believe the second question is an inquiry rather than a point of order.

An hon. Member: The Leader of the Opposition has found himself a sucker.

Mr. Speaker: Order, please. The hon. member for Villeneuve wishes to speak to the point of order.

[*Translation*]

Mr. Caouette: On a point of order, Mr. Speaker.

The Leader of the Opposition is about to read a press report on the subject we are now discussing or on what happened during the inquiry.

Not so long ago, when it was discovered that Gerda Munsinger was actually alive in West Germany, Your Honour prevented me from reading certain newspaper articles, one of which was from the Toronto *Star*. It seems to me that the Leader of the Opposition (Mr. Diefenbaker) does not have more privileges than any other member when it comes to quoting a newpaper article.

[*English*]

Mr. Diefenbaker: Mr. Speaker, I intended to read from press reports, and I have never heard this practice challenged before. Certainly we have a revised version of things from the Prime Minister today who tried to explain the unexplainable. The Minister of Transport asked me to identify what I intended to read.

• (4:40 p.m.)

Mr. Speaker: Order, please. Perhaps I am expected to give some brief comments on the point of order raised by the hon. member for Villeneuve. If my recollection is correct, I was not in the chair when the point of order in question was raised, but my understanding of the rule is that it is permissible on the part of members to read newspaper articles provided they vouch for the correctness of the reports.

Mr. Diefenbaker: Mr. Speaker, I was going to read from a Canadian Press report and I do so accordingly as reported in the Ottawa *Journal* of April 29.

Mr. Favreau: Are you vouching for its accuracy?

Mr. Diefenbaker: I shall not attempt to do what the Prime Minister did and say I did not say what I was reported to have said by the commissioner of the R.C.M.P. I intend to read first what the press reported and then, as I have been pressed to do this, I will also put on the record what was actually said.

Commissioner McClellan said the meeting was attended by then Justice Minister Favreau—who lost that portfolio after the airing of the Rivard case—and he believed, by Gordon Robertson, cabinet secretary. He testified—

Mr. Greene: On a point of order, Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Greene: Mr. Speaker, I believe you have ruled, if I understand correctly, that the evidence before the inquiry is not admissible in this debate and I suggest to Your Honour—

An hon. Member: It is too late.

Mr. Greene: I know we have been hearing the wolves over there howling for three years and it has not got them anywhere yet. I wonder whether we could have your ruling, Mr. Speaker, rather than the cackling of geese over there.

Mr. Starr: You are one of the geese, Joe.

Mr. Speaker: Order, please.

Mr. Greene: I know that hon. gentlemen opposite are not too anxious to get the facts.

An hon. Member: Look who is talking.

Mr. Greene: Mr. Speaker, my point of order is that Your Honour has ruled that the evidence at the inquiry is not the subject matter of this debate and is not admissible. The right hon. gentleman is now trying to do indirectly what he cannot do directly, namely, he is reading from a newspaper which purports to quote the evidence at the hearing. I submit that he cannot do indirectly what he cannot do directly because surely if the evidence is admissible at all we should have the evidence from the transcript first hand and not some newspaper report which purports to give the evidence. Your Honour has ruled that the evidence is not admissible and I submit with respect that the right hon. gentleman cannot do indirectly what Your Honour has ruled he cannot do directly.

Mr. Diefenbaker: Mr. Speaker, all I have to say in this connection is that the Prime Minister interpreted what Commissioner McClellan had said and what he must have meant when he said it. Now I am going to place on the record exactly what was said, and it will show that the Prime Minister distorted—

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

Mr. Speaker: Order, please. I understand the right hon. Leader of the Opposition is now speaking on a point of order.

Mr. Pearson: The right hon. gentleman seems to have completed his contribution on the point. I wanted to point out that I did not quote from the evidence. I was sorely tempted to do so but I did not refer directly to the evidence, either the transcript which I have or the evidence as it was reported in the newspapers. As I said, I would have been out of order had I done so.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. I recognize the hon. member for Cape Breton South on a point of order.

Mr. MacInnis (Cape Breton South): I am just wondering what goes on in this house when the Chair recognizes the Leader of the Opposition on a point of order and yet the Prime Minister continues to talk.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton South): Rap him down.

Mr. Speaker: Order, please. I recognize the hon. member for Kamloops.

Morality in Government

Mr. Fulton: Mr. Speaker, may I refer to the ruling which you actually made yesterday because it seems to me that this is what we should have before us and not an interpretation from hon. members opposite. What was said yesterday is found at page 4590 of *Hansard,* namely:

When I made my ruling a moment ago I said that there was much merit to the suggestion made by the hon. member for Peace River that certain decisions or bits and pieces of evidence which come out in the course of a hearing might not be of the essence of the matter which is before a royal commission or inquiry, and because of this we should not be precluded from discussing certain matters. I do not want to reduce this to the absurd but, for example, if in the course of his evidence a witness said that it was raining or was not raining we could not come to the conclusion that we could not discuss the weather in the House of Commons. In other words, there is a limitation in this regard. We cannot eliminate from our discussion in the house any evidence that is presented before a commission.

That is what Your Honour ruled.

Mr. Greene: Mr. Speaker, I wonder whether the hon. member would read the next paragraph of your ruling.

Mr. Speaker: I would rather not hear it.

Mr. Fulton: I think you probably would read it better than I would.

Mr. Speaker: Is it the wish of hon. members to continue the debate on the point of order? Are there any further contributions?

Some hon. Members: No.

Mr. Speaker: Order, please. Obviously the point at issue here is the ruling made quite some time ago by Mr. Speaker Macdonald which I quoted on the occasion of the ruling I made yesterday, and it is to the following effect:

I would accordingly rule that it is not out of order to discuss transportation problems generally when such matters have been referred to a royal commission.

On the other hand, I would also rule that reference should not be made to the proceedings, or evidence, or findings of a royal commission before it has made its report.

This is a very restrictive ruling. I said yesterday that I did not want to use this ruling to preclude any discussion or reference to the Spence inquiry, and I believe I was as lenient as I could be in the circumstances in allowing the discussion which took place yesterday and also in allowing the amendment moved by the hon. member for Royal. However, the point is still there that this ruling exists. I believe it is a precedent by which I am bound and by which hon. members are bound.

While it is possible in my view to make reference in a general way to collateral matters, which I believe was the ruling I made yesterday, which may come up in the course of an inquiry, in my mind, there should not be a specific reference to the evidence itself. I did feel that in view of this ruling the right hon. Leader of the Opposition should not quote from the evidence.

The point raised by one of the members who took part in the discussion, that we cannot do indirectly what we cannot do directly, is well taken. I believe it would not be in order to read from the evidence at the present time in the course of this debate in view of the ruling to which I have referred. I do not believe that this has been done by the Prime Minister in the course of his speech. If he did, I failed to catch it. I would invite the right hon. Leader of the Opposition not to quote directly or indirectly from the evidence which was taken in the course of the inquiry.

Mr. Diefenbaker: Mr. Speaker, I shall try to keep within your ruling. However, I want to point out the fact that the Prime Minister has given an expurgated explanation of what actually took place and has interpreted what the evidence was. Now I want to place on the record the evidence which answers him 100 per cent. It indicates that the revelation which he made today as to what took place bears only a distant relationship to the truth.

• (4:50 p.m.)

Mr. MacEachen: Mr. Speaker—

Some hon. Members: Filibuster. Sit down.

Mr. Speaker: Is the minister now rising on a point of order?

Mr. MacEachen: I am rising on a point of order which has to do with a statement made by the Leader of the Opposition. It has to do with a very fundamental practice in the House of Commons. As I understood the right hon. gentleman, he stated that a statement made this afternoon by the Prime Minister had a distant relationship to the truth. I should like to refer to citation 145 in Beauchesne, Mr. Speaker, which reads as follows:

It has been formally ruled by Speakers in the Canadian Commons that a statement by an honourable member respecting himself and peculiarly within his own knowledge must be accepted—

I suggest, Mr. Speaker, that almost all of the statements that have been made by the

Prime Minister are statements in this category respecting himself and peculiarly within his own knowledge and not within the knowledge of the Leader of the Opposition. A statement made, for example, by the Prime Minister that he had no prior knowledge whatever of the disclosure of the name "Munsinger" by the Minister of Justice is a statement respecting himself and peculiarly within his own knowledge. It must be accepted.

Mr. Fulton: Read the rest of it.

Mr. MacEachen: As suggested by the hon. member for Kamloops, I will read the complete citation.

—but it is not unparliamentary to temperately criticize statements—

Is it temperate criticism to say that a statement has a distant relationship to the truth?

—made by a member as being contrary to the facts; but no imputation of intentional falsehood is permissible.

I conclude the citation by quoting this sentence:

A statement made by a member in his place, is considered as made upon honour and cannot be questioned in the house or out of it.

The Prime Minister has made a number of statements on his honour, upon which he has staked his reputation, and they must be accepted by the house.

Some hon. Members: Oh, oh.

Mr. MacEachen: They must be accepted by the house. If the right hon. gentleman refuses to accept the statements made by the Prime Minister, then he knows the course of action to take. I want to suggest, Mr. Speaker, that in this particular debate this rule ought to be rigidly observed. We on this side of the house intend that statements made by a member in his place be considered as made upon his honour and they cannot be questioned in the house or out of it. I respectfully suggest to the Leader of the Opposition that he was certainly on the verge of transgressing, if not transgressing, this particular custom of parliament.

Mr. Langlois (Mégantic): Mr. Speaker, I think there is some inconsistency in the whole proceeding here. This debate is based on exactly what was said before the inquiry. If I recall correctly, a few minutes ago the hon. member for Burnaby-Coquitlam quoted the whole statement from beginning to end which was placed before that inquiry. I cannot see why the Leader of the Opposition, therefore, cannot talk about it since the whole debate is on that subject.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, I can well understand the feelings of hon. gentlemen opposite because the Prime Minister chose to give his views as to what the evidence would have been if he had been the commissioner of the R.C.M.P. and had given the evidence as to the events. I was quoting from a Canadian Press dispatch.

Mr. Greene: Mr. Speaker, I rise to a point of order.

Some hon. Members: Filibuster. Closure.

Mr. Greene: You have ruled this out of order—

Some hon. Members: Closure.

Mr. Greene: —quite properly. The right hon. gentleman would like to get the evidence before this high court before it is all in before the tribunal. He does not want to hear the rest of the evidence of the commissioner. The rule is a very sound one because, of course, the witness has not yet been cross-examined. The right hon. gentleman does not want to wait for that. The rule is there for the very purpose of preventing half the evidence being discussed here before the whole of the evidence is discussed before the inquiry. Your Honour has quite properly ruled that it cannot be directly or indirectly discussed here until it has been heard in full before the inquiry. We cannot discuss half the evidence here, but the right hon. gentleman is transgressing the ruling. I ask the Chair to enforce the ruling.

Mr. Speaker: Order, please. I am a bit disturbed by the suggestion made by the hon. member for Mégantic that the evidence which the Leader of the Opposition now wishes to quote and put on the record has already been quoted by the hon. member for Burnaby-Coquitlam. If this was done, it escaped my attention. My understanding of what the hon. member said at the time was that it was a passing reference to this evidence in the same way as was done by the Prime Minister.

Mr. Douglas: I rise on a point of order, Mr. Speaker. It seems to me absurd to deny any member the right to place on the record the

statement attributed by the press to the commissioner of the R.C.M.P. when it has appeared in every newspaper in Canada and has been quoted over every radio and television station. I submit, Your Honour, that you have permitted the Prime Minister this afternoon to give his side of certain events. If you deny members on this side of the house the opportunity to quote what the R.C.M.P. commissioner said about those events, you are certainly doing in reverse the very thing to which the Minister of Agriculture is objecting, namely, allowing one side of the story to be told and denying members the right to give the other side of the story by revealing the statement of the R.C.M.P. commissioner.

Some hon. Members: Hear, hear.

Mr. Pickersgill: Mr. Speaker, lest the house be beguiled by the rather beguiling suggestion of the hon. member for Burnaby-Coquitlam, I think it should be recalled, as has been pointed out by the Minister of National Health and Welfare, that the Prime Minister made certain statements of his own knowledge. There is nobody, except the commissioner of the Royal Canadian Mounted Police, who can make statements of his own knowledge. I suggest that for a second person to take a press report which may or may not be an accurate transcript of the evidence and parade it in this house as though it were the direct knowledge of that person is a travesty of ordinary justice. It is for this reason we have the rule which Mr. Speaker Macdonald and His Honour have upheld. The rule was upheld a moment ago in response to a point raised by the Minister of Agriculture that the evidence could not be quoted directly or indirectly until all the evidence had been heard. This is exactly the same point Your Honour made yesterday in your original decision. It is clear and precise. I suggest that debate on a motion introduced by an hon. member who wants to restore the rights and dignities of parliament should conform to the rules of the house.

Mr. Starr: I rise on the point of order. I have listened with interest to the arguments that have been put forward by members of the treasury benches. They claim that no evidence can be quoted in this house until all the evidence has been gathered. I am not going to quote from any authority or read any excerpts from rule books. However, logic and common sense, as well as a sense of justice, tell me that this evidence has been published day by day, word by word, in newspapers across this country and has been commented upon by editorial writers. Yet, Mr. Speaker, we sit in this house as representatives of the people and find the government hiding behind a shield of rules and rule books. We are not permitted to bring this evidence out because some sort of closure is put on us. I suggest that we should have the same rights as any editorial writer or newspaperman who has written about, quoted word for word from, or expressed his opinions on, the evidence. But we are deprived of these rights, which I think is illogical, irrelevant and certainly is beyond common sense.

• (5:00 p.m.)

Mr. McIlraith: Mr. Speaker, may I ask the hon. member for Ontario a question arising out of his remarks for clarification purposes?

Mr. Speaker: Order, please. Is the minister addressing the Chair on the point of order?

Mr. McIlraith: Yes, and I wanted some clarification.

Mr. Starr: The house leader is hiding behind a point of order in asking me a question.

Mr. Speaker: Order, please.

Mr. McIlraith: I would ask the hon. member—

Mr. Speaker: Would the minister kindly address the Chair on his point of order?

Mr. McIlraith: Mr. Speaker, I will be very glad to try to make myself heard over the din. The point I was seeking to raise was this. I did not understand one part of the remarks of the hon. member for Ontario, so I should like to ask for clarification of one short part of those remarks. If the hon. member is ready to accept a question I would be glad to put it. It is simply this. Is it the hon. member's argument on the point of order that we should seek to establish order and re-establish the dignity of parliament by disregarding the rule book?

Mr. Starr: Mr. Speaker, this is another piece of camouflage in the smokescreen put up by the government in connection with what is transpiring here in the form of a point of order and the opportunity of hon. members to say what they think should happen in the light of what some authorities say. There is a tremendous difference between this situation and the normal situation in this House of Commons, and the difference is this.

The argument put forward by the government in defence of the proposition that the debate should be confined within very narrow limits is that evidence such as this cannot be put before the house though it can be discussed outside. There is the great difference. This evidence has been published in papers across the country and yet we are not allowed to discuss it here.

I might make another point, Mr. Speaker, since you have permitted me to speak again. This afternoon the Prime Minister was given an opportunity to put his own interpretation on the evidence given by the commissioner of the Royal Canadian Mounted Police. That is exactly what happened this afternoon and I think that threw the gates wide open. I do not think that any rule applies to the extraordinary circumstances in which we find ourselves.

Mr. Pearson: Mr. Speaker, just to make our position clear I would suggest—

Mr. Speaker: Order, please.

Mr. Pearson: —that we should leave the matter entirely in your hands.

Mr. Speaker: Order, please. I have been trying to obtain assistance from hon. members on the point of order which has been raised, which is a very serious one. I am wondering whether this is the point which the Prime Minister is raising at this time.

Mr. Pearson: No, Mr. Speaker. I have just suggested that as we have made our point we should leave the matter in your hands and the right hon. gentleman should be allowed to proceed.

Mr. Orlikow: Mr. Speaker, I will not take very long on the point of order, but it does seem obvious to me that we are going to be asked at 8.15 tonight to vote on the amendment to the motion which is based almost exclusively, it appears to me, on the testimony given by the commissioner of the Royal Canadian Mounted Police. The Prime Minister gave his version today of the discussions he had with the commissioner of the R.C.M.P. and the instructions he gave to the commissioner of the R.C.M.P. I have listened very carefully to the Prime Minister, Mr. Speaker, and it seems to me that his version is in direct contradiction of the testimony given by the commissioner of the R.C.M.P.

Mr. Pearson: It is not.

Mr. Orlikow: I wish the Prime Minister had himself quoted from the testimony and had said clearly and specifically that the commissioner of the R.C.M.P. was wrong or was misinformed or did not remember what had taken place, but the Prime Minister did not do that.

It seems to me, Mr. Speaker, that to enable us to vote tonight somebody should put these quotations on the record, and I would ask the Prime Minister to answer the specific allegation made by the commissioner of the R.C.M.P. It may be that a narrow interpretation of the rules makes this impossible, but if that is the case the loser will be the Prime Minister because everybody in the country and every newspaper, Liberal, Conservative or independent, has taken the same interpretation. Therefore I appeal to the Prime Minister and his cabinet ministers not to obstruct the introduction of this quotation but to co-operate, and I would ask the Prime Minister to make the statement and to give the answer for which the public are waiting.

Mr. McIntosh: Mr. Speaker, may I ask one question? Does the authority to which you have referred in making this ruling relate to a court of law in this country? I submit that a court of law in this country is not the same as a court of inquiry. I would suggest that if the authority referred to a court of law you would by this ruling be raising a court of inquiry to the same level as a court of law, and I submit those two bodies are not the same.

Mr. Speaker: Order, please. I feel the only thing I can do is again to quote the ruling to which I referred earlier. The point raised by the hon. member for Swift Current-Maple Creek is that the ruling to which I referred, the ruling of Mr. Speaker MacDonald, relates not to a royal commission but to a court of law. It was the opinion of the learned Speaker that although we might discuss the matter in general we should not refer to evidence or proceedings before or the findings of a royal commission.

I very much fear I must ask for the co-operation of the Leader of the Opposition in paraphrasing the evidence in words which are somewhere between the two extremes, taking a middle course which might satisfy both the Chair and the members of the house. However, the ruling is there. I did not make the ruling but I am bound by it. It says clearly and specifically that when a royal commission is currently discussing a matter

hon. members in the course of debate should not quote or refer specifically to the proceedings or evidence. I do not think I have any authority to change that ruling. I believe hon. members should abide by this precedent which certainly is part of the rules of the house.

Mr. Diefenbaker: Mr. Speaker, I can have no complaint about any ruling you make because you always try to be fair. However, that does not deny me the right to say that the reason the government do not want this evidence disclosed is that they are afraid.

• (5:10 p.m.)

This afternoon the Prime Minister decided to contradict the commissioner of the R.C.M.P. He did that for his own purposes. He now wants to deny this house its right to know what the commissioner said. I will paraphrase, sir, as you suggest. I am now paraphrasing from the report in the Canadian Press: "I was asked if I had any information on my files of a nature which indicated impropriety or wrongdoing on the part of any member of the government—the present government. I then asked, if I answered that"—the commissioner did not say at that time what his answer was.

Mr. Speaker: Order, please. The right hon. Leader of the Opposition indicated that he wanted to abide by the ruling of the Chair in that he would paraphrase the evidence, as I suggested. I have the impression that he is perhaps quoting it a little too closely. It is difficult for me to judge when I have not read the evidence. I do not know whether the right hon. Leader of the Opposition is paraphrasing or quoting from the evidence, but I take it that he is abiding by the Speaker's ruling.

Mr. Diefenbaker: You know, I never was very good in grammar and when it comes to paraphrases I have difficulty. I will proceed to say that the commissioner did not say at that point what his answer was, but he was then asked if he had any information indicating any impropriety or anything of a scandalous nature involving any hon. member of any party over the last ten years.

An hon. Member: Scandal.

Mr. Diefenbaker: He was, of course, aware of the matters that were being discussed in the house and that they were the subject of gossip. In answer to a direct question of the Prime Minister he spoke in the affirmative.

[Mr. Speaker.]

He then referred to the Munsinger file, at which time the Prime Minister indicated that he thought he had better see it. That in general is a summary by way of paraphrase of the report in the Canadian Press on April 29, which I point out, sir, is in complete contradiction of the revised version placed before this house by the Prime Minister for his own purposes.

I now paraphrase the evidence that actually was given. I will paraphrase the page from which I cannot quote. It is page 331. A question was asked by Mr. Carson about what had happened on December 1 and December 2, 1964, with reference to a matter coming to the attention of the Prime Minister and the President of the Privy Council. He asked the commissioner if he had any indication of how the matter had come to the knowledge of the Prime Minister, to which the commissioner replied in the affirmative. He was then asked, and I paraphrase, as to the nature of this, and the commissioner went on to say in answer that from the questions that were asked he could give information.

Then he proceeded with his evidence, at which time Mr. O'Brien, counsel for the commission, thought that possibly Commissioner McClellan was disturbed that he might be disclosing something he should not disclose. Commissioner McClellan indicated that that conclusion by Mr. O'Brien was indeed correct at which time Mr. O'Brien stated, and I again paraphrase, that when he had first seen the commissioner he was in a position of some discomfort. The attitude of Mr. O'Brien was that he could see no reason why what took place between the Prime Minister and the commissioner of police should not be disclosed.

The commissioner then gave his evidence, which I paraphrase. The commissioner was called to the Prime Minister's office with the President of the Privy Council. He believed that Mr. Gordon Robertson, secretary of the Privy Council, was present. The commissioner was then asked by the Prime Minister if he had any information indicating that there had been any impropriety—and I do not know how to paraphrase this—anything of a scandalous nature involving any member of parliament in any party over a period of what he thought was ten years. That generally, I think, was the expression used. It must have been the expression used because the Prime Minister himself referred to ten years. He said that an examination had been made over a period of ten years.

The commissioner said that he was aware, of course, that the matters that were being discussed were, in part at least, subject to gossip. When answering that direct question before the Prime Minister he said, "Yes, sir," and he referred to this specific file, the Munsinger file. The Prime Minister then, according to the commissioner, said that he had better see it, and he saw it.

There is also the evidence, and I again paraphrase, that while this took place as far back as December 1 or December 2 of 1964 the file was delivered to the Prime Minister on this occasion and it was not an excerpt or anything of the kind, as he would have it today. A file was delivered. I did not say "the". I say "a file" was delivered to the Prime Minister. It was never seen again by the commissioner of police for a period of 15 months.

That, sir, is the evidence in paraphrase, and it answers the Prime Minister today when he comes before this house and leaves the impression, by what he says took place, that the commissioner's evidence was not in accordance with the facts.

An hon. Member: It was given under oath.

Mr. Diefenbaker: That evidence was given under oath by the commissioner. I point out that circumstance. Instead of facing up to this, because he knows that is what was said by the commissioner, the Prime Minister comes to the house and produces a caricature of what took place. Sir, what we are facing is an interpretation of evidence that could not be misinterpreted if it could be read into the record of this house. The Prime Minister gave a misinterpretation of that evidence in order to get out of a position in which no prime minister has ever been in this country, of using the mounted police as "Pearson's political police" for his own purposes to destroy political—

Mr. Sauvé: On a point of order, Mr. Speaker—

Mr. Diefenbaker: I cannot speak in too strong terms—

Mr. Sauvé: On a point of order, Mr. Speaker—

Mr. Kindt: What is the point of order?

• (5:20 p.m.)

Mr. Sauvé: Is the Leader of the Opposition not in fact accusing the commissioner of the R.C.M.P. of having been part of a political plot?

Mr. Pearson: That is exactly what he is doing.

Mr. Sauvé: If this is so—

Mr. Speaker: Order. Would the minister kindly resume his seat? It seems that the point he is making now is a point of debate. If there is a point of order he should state it directly. What he is stating now is an argument, not a point of order at all.

Mr. Sauvé: Would the Leader of the Opposition allow a question at this time, because this is very important?

Some hon. Members: Sit down.

Mr. Speaker: Order. The Minister of Forestry is rising to seek permission to ask a question of the Leader of the Opposition who has the floor.

Mr. Diefenbaker: I think I have been very generous. I have been standing here now for over an hour and in that time I believe I have spoken for about 15 minutes because of the opposition of members opposite who are afraid to hear the truth.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: They have said that the truth will take a long time to permeate, but the truth will not take a long time to permeate if I can read the record.

Mr. Sauvé: I am asking the Leader of the Opposition if he will permit a question.

Some hon. Members: Sit down.

Mr. Speaker: Order. The minister knows that the Leader of the Opposition has the floor and that if he is not disposed to allow a question—

Mr. Sauvé: I am asking the right hon. gentleman if he will hear my question.

Mr. Speaker: The Leader of the Opposition, who has the floor, has indicated that he will not allow a question at this time.

Mr. Diefenbaker: I am not dealing with shoes.

Some hon. Members: Oh, oh.

Mr. Sauvé: On a question of privilege, I am asking a question directly related to this debate, one which is fundamental.

Some hon. Members: Order.

Mr. Sauvé: The Leader of the Opposition is accusing the R.C.M.P. commissioner—

Mr. Speaker: Order. I ask the co-operation of all hon. members and in particular the co-operation of the Minister of Forestry. He wishes to ask a question. According to our rules he cannot do so at this time. He may have an argument he would like to submit in the course of debate and he may have the occasion to do so later this afternoon or early this evening. But he cannot ask a question at this time and there is no question of privilege or point of order.

An hon. Member: Did that sink in?

Mr. Diefenbaker: At the time of that interruption I was about to return to the statement made by the Prime Minister. He endeavoured to leave the impression that he acted altogether correctly, that it was proper to look at administrative records except, of course, memoranda from cabinet, cabinet meetings and the like.

Sir, what has been done here, according to the testimony of the commissioner of the mounted police, which I paraphrased, is that the Prime Minister is trying to rewrite in parliament the evidence which was given under oath before the commission, realizing that if that evidence stands his government is indicted of one of the most terrible offences of which any government could be indicted—

Some hon. Members: Hear, hear.

Mr. Diefenbaker:—namely, the assassination of the characters of members opposite for political purposes. Then the right hon. gentleman represents himself as being clothed in the garments of piety. He tells us he wants to see the rights of the individual protected. But by stealth, by snooping, he planned to use the R.C.M.P. with its distinguished record to do the kind of work that he wanted to do to destroy political opponents. Then, when he is faced with it, he smiles. He is pleased at his success. He is delighted. And he tells us about the new politics.

He has by his action in this regard committed a tremendous crime against parliamentary government. He has destroyed that something which brings us together in heated argument, but with respect. He brought this out because he wanted to find something which would destroy. For 15 months it incubated. There it was on his desk. If it was not there he may have put it somewhere else. I know I wish he had put it some place else. But he had it there. Hon. members know the kind of thing: You be careful; I have something here; if you do not do what I want you to do, out comes Munsinger.

Mr. Pickersgill: Is the right hon. gentleman admitting he had something to hide?

Mr. Diefenbaker: That is the last thing in the world the Minister of Transport should say. He and his friends are trying to hide the truth from the Canadian people as to the despicable tactics they used in this connection. Let that be clear. I did not want to say that.

Some hon. Members: Oh, oh.

An hon. Member: Carried away.

Mr. Diefenbaker: That is fine. One could go back over the years and take up the records of our respective ancestors and all that kind of thing. We do not do that. Files disclose things but we do not want to hurt our political opponents in that way. I say to the Prime Minister that from the time he took office he examined every line and word in my life—everything—with one purpose in mind. I do not want to go into personalities as to what happened. But you will remember, sir, that in 1962 they held a meeting and decided that the one person to be destroyed was Diefenbaker. They spread a story across this country that I was suffering from an incurable disease. It came from the front bench and I say to the Prime Minister: I know where it came from.

Some hon. Members: Shame.

Mr. Diefenbaker: I am supposed to accept that and not resent it. Well, they got their answer. They thought they could win an election with that kind of thing. Now, having tried for several years to bring an end to the leadership of the Conservative party, for the benefit of Canada—and I admire their freedom from partisanship in this desire—they resort to these tactics and use the police.

I am surprised—and I intend to say that I am surprised that the commissioner of the mounted police did not say, "No" to the Prime Minister. But it is not for me to judge. The Prime Minister asks, and when the Prime Minister asks the Biblical words are always true—"He shall receive".

He asked for this and he got it. He says: There is security of state involved. Where was the security during the 15 months he kept it under cover, only to be produced if needed?

• (5:30 p.m.)

Is that security? He knew what the evidence was, and again I paraphrase that evidence. On January 19, 1961, the R.C.M.P. report was that it was becoming very apparent that this woman was not engaged in any intelligence operations and therefore was of no further interest to the branch and no further watch would be maintained.

The Prime Minister dug it up. He has the responsibility, no one else. He was assisted by those who for their own purposes would destroy. Now on May 3, 1966, when I want to produce what was said, the Liberals raise an unholy noise against it. They object. They are afraid of it.

Mr. Greene: Would the hon. gentleman permit a question?

Mr. Diefenbaker: No. At the moment I do not want any observations from Lincoln or his re-incarnation.

With all the power at my command I ask, can parliament condone this? If we can, then McCarthyism is in this land. It is worse than McCarthyism at its peak. McCarthy simply said, "You are guilty by association," and destroyed the souls of men. I wonder how many hon. members in this house would want to go back over the years and recall whether at one time or another they did not think a little differently than they do today.

I have had files before me—not from any source whatever, but knowing of them. There has been the evidence in Washington before the security committee of the United States Senate. But no, that is not the way we act in public life. Are the private lives of individuals to be dug up? Are we to start looking up the moral wrongdoing at any time of each and every one of us? Are we to start on that? That is what this thing will lead to. Who of us is without sin? Who of us can judge without being judged?

Mr. Pickersgill: May I ask the right hon. gentleman a question.

Some hon. Members: Sit down.

Mr. Diefenbaker: I do not want to judge the hon. gentleman. The hon. gentleman tried to be a lawyer and he did not succeed, so he does not know anything about being a judge.

This is the danger of this thing. This is what parliament is going to vote on tonight, not on the self-serving views of the Prime Minister designed to place before parliament a view that is the very antithesis of the evidence that was given. The Prime Minister laughs. He said that this is really nothing, but they are just taking reputations and destroying them. He could have got up to day and excused himself by saying, "We all do things sometimes when we get annoyed," but he did not do so.

The file lay around for 15 months. You can just see them there looking at it and asking, "When do we strike"?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Oh yes, that is the way they operated. The Prime Minister laughs. I ask him, why did you keep it for 15 months? For decoration? He kept it there, according to the evidence of the commissioner, and returned the file after 15 months.

Mr. Starr: Because they requested it.

Mr. Diefenbaker: I suppose they asked for it back. What were you doing with it in that time? We heard about it. It went from ear to ear—"We have got something; you wait, if you are not careful we will get you." You cannot build a parliament that way. That is why this motion is so important.

I am asking for the support tonight of all political parties in this house because, as we are now, unless you condemn this action, so will you be. There is no safety for any person or group. Each one of us, admitting the frailties of human nature, knows that if anybody were to dig into our records there would be something to find. That is why I say to those in all political parties that this is a principle above all else transcendent. Give me the resolution.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: They laugh over there. The hon. member for Antigonish-Guysborough (Mr. Stewart) jeers when I ask for the resolution. Is this the new politics that would destroy? I have a high regard for the hon. gentleman but jeering of that kind does not add to it.

Mr. Stewart: On a point of privilege, Mr. Speaker, my amusement was not prompted by the right hon. gentleman's aside to his seatmate. It was prompted by a remark made by the hon. gentleman who sits directly behind me, which I found very amusing.

Mr. Diefenbaker: I am sorry. I hasten at once to say to the hon. gentleman that I am

glad there are times for humour. The resolution is as follows:

> This house strongly deplores and condemns this government's actions in having the R.C.M. Police provide information to the government as to the past conduct of all members of parliament—

What about you Liberal members? Have you got nothing in the closet? Watch out, because the Prime Minister asked that you all be looked into. He was not so sure of you either. I repeat the resolution:

> This house strongly deplores and condemns this government's actions in having the R.C.M. Police provide information to the government as to the past conduct of all members of parliament generally, a course of action which would destroy the independence of all members and undermine the institution of parliament.

The Prime Minister ridicules that. I say no more about the resolution. We have established the facts. They tried to silence us. They tried to prevent me saying what is known across this country. I do not want to quote editorials but there are many. Here is one headed "Political Malice", and another, "A New Pearson". Men and women in Canada cannot understand it. In correspondence to me they say: This is not in keeping with the man we thought we had; we did not agree with his views, but that he would fall for this kind of thing, no matter whether activated by the President of the Privy Council or the Minister of Justice or any of the others, makes a sad day for parliament.

The Liberals have not come out yet with the argument that members have to be careful how they vote on this motion lest they defeat the government. Well, one of the great authorities in this country is Dr. Eugene Forsey—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The Prime Minister smiles about that but Dr. Forsey is an authority on national and international affairs. This is what he says:

> A fresh election now, on the old distribution of seats, would be the ultimate outrage. Until redistribution can come into effect, a few months hence, some means must be found to carry on—

Then he goes on to say:

> Mr. Pearson could follow the example of Mr. Disraeli in 1868. Disraeli's government was defeated April 30, 1868, by a vote of 330-265, ... On May 4, Disraeli told the house that he had obtained the Queen's consent to a dissolution "as soon as the public interests will permit,"—

The government went ahead and carried on for several months. It got the necessary legislation passed and, indeed, dissolution did not take place until November 11.

• (5:40 p.m.)

Second, the government cannot rush into an election. The Prime Minister asked for the votes of the people of Canada so that he could get a majority and he did not get a majority. I prefer the objectiveness of Dr. Forsey to the uncertainty of the Minister of Transport.

> The Liberals could simply resign (if they asked for an immediate dissolution, the Governor General would be bound to refuse, because of the redistribution situation). The Governor General would then send for . . .

The Leader of the Opposition

. . . and ask him to form a government.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: They wanted a majority and what did they end up with? A minority. I am just quoting from an authority and they do not like authorities. They do not like the truth given by the commissioner of the Royal Canadian Mounted Police any more than they like the objectivity of Dr. Forsey.

Then he goes on to say that if the Governor General were to take it that we could not form a government, even a caretaker government, he could call an all-party conference to consider letting someone form a coalition caretaker government from the various representatives in this house, who in a community of endeavour would have to carry on similarly to what was done in Australia and New Zealand. I point this out because that is all they have left.

What we have before us, Mr. Speaker, is an explanation from the Prime Minister which is not in accordance with the facts. This is the last chance for parliament. Are we to be puppets in the hands of a Prime Minister who keeps dossiers on members? I do not know who these members are but he has dossiers on two or three of them. Watch out. Some day they will be produced. That is the position today. That is the position in respect of which the Canadian people have the right to be disturbed and which should receive the condemnation of hon. members whatever their party in this House of Commons.

Mr. Speaker: Does the minister rise to ask a question?

Mr. Pickersgill: Yes, Mr. Speaker. I rise to ask the right hon. gentleman whether I might now ask the question I wished to put earlier. In view of the reference the hon. gentleman made to McCarthyism, would the hon. gentleman now make a public apology to the hon.

member for Matapédia-Matane (Mr. Tremblay)?

Mr. Diefenbaker: I never knew that shoes were connected with McCarthyism.

Mr. Pickersgill: The hon. member for Matapédia-Matane is Mr. Tremblay.

Mr. Starr: What apology do you want?

Mr. Pickersgill: You might well ask.

Mr. Speaker: Is the Minister of Forestry rising to ask a question?

Mr. Sauvé: Yes, Mr. Speaker. I should like to ask the hon. gentleman this question which is a fundamental one in a way. If I understood the hon. gentleman exactly this afternoon, he said that the R.C.M.P. commissioner in a way—

Mr. Douglas: Mr. Speaker, on a point of order, this afternoon the Prime Minister presented his case for asking the house to vote against an amendment and since that time the major part of the opposition's time has been taken up with ministers and members of the government rising on points of order.

Mr. Starr: The government.

Mr. Douglas: Irrelevant and meaningless questions have been raised and we have had no opportunity—

Mr. Speaker: Order, please.

Mr. Greene: Mr. Speaker, on a question of privilege—

Mr. Speaker: I should like to suggest to the Minister of Agriculture that we should allow the hon. member for Burnaby-Coquitlam to complete his point of order and I will then hear the question of privilege.

Mr. Greene: Let him state it.

Mr. Douglas: I am glad the Minister of Agriculture recognizes who is at fault in this instance.

Members of the various parties, Mr. Speaker, have had no opportunity whatsoever to make a statement on their position in the light of the Prime Minister's statement this afternoon. With the very limited time we have left, it seems to me it ought not to be taken up by questions or points of order on this matter.

Mr. Greene: On the question of privilege, Mr. Speaker, I do not think the hon. member for Burnaby-Coquitlam has any right to impute motives to any member of this house. If we feel the rules of the house should be abided by and wish to raise points of order in this regard, we have every right to do so without hearing the sanctimonious insinuations of the hon. member.

Mr. Speaker: Order, please.

[*Translation*]

Does the hon. Minister of Forestry wish to ask a question?

I must remind him that he may ask it only if the right hon. Leader of the Opposition (Mr. Diefenbaker) permits him to do so, as part of his speech.

[*English*]

Mr. Sauvé: Will the Leader of the Opposition permit a question?

Mr. Speaker: Order, please. The hon. member for Lapointe.

• (5:50 p.m.)

[*Translation*]

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

Several questions have been asked. The debate will be closed in 25 minutes and we did not have the opportunity to put in one word yet, nor has the party sitting on our left. What will happen if all the ministers ask questions? We cannot get the floor.

Mr. Speaker: Order. According to standing orders, the hon. Leader of the Opposition is allowed to speak without any time limit when he has the floor and, if he so wishes, he can accept, as an integral part of his speech, any question directed to him. I have no authority to prevent the minister from putting a question to the Leader of the Opposition if the latter accepts to answer it.

Mr. Grégoire: Mr. Speaker, a supply motion is before the house, but not a word has been said about supply yet.

The government is seeking authorization to spend money, but nothing has been said about that.

When the estimates were considered last January and February, not a word was said about government expenditures or how the people's money had been spent. The Spencer case was discussed, then the Munsinger case, and now we are discussing the McLellan case. When we should be finding out how the people's money is spent, we are discussing all sorts of thing.

We are supposed to be on supply, but we are discussing scandals, investigations and what not.

And yet, Mr. Speaker, $2,400 million are being paid to the federal government as taxes by the province of Quebec. And we have two days to discuss how these taxes will be spent.

What did we speak about? Not about supply at all, nor about the budget or estimates, but about other things. There has been mudslinging from both sides, and the people have not been mentioned.

What would happen, Mr. Speaker, if elections were called on the matter under discussion for the last two days? Well I, for one, would have to tell the people in Quebec: When we should be discussing how to spend your tax money, we talk about all sorts of other things. If the people were aware of what is taking place in parliament whenever the expenditure of the people's money is under consideration, I feel that the people would demand that we close up parliament.

Mr. Allard: It gets depressing.

Mr. Grégoire: It is depressing, as the hon. member for Sherbrooke has said.

Mr. Speaker, it never fails. We thought we were clear of that sort of thing for a month at least, but no. As soon as we finish with one, off we go with another. We did not initiate this. But why are we always forced into such discussions? Why can we not finally come around to legislating for the people, instead of spending our time discussing scandals and throwing mud at the next guy?

It seems simple to me, Mr. Speaker. We are on a supply motion. The discussion was initiated on one subject. An amendment was introduced and we are required to limit ourselves to that question. Nothing is being said of any interest to the people.

Do you not think there are many people in Quebec who want to separate from the federal government? Why? Just look at what is being accomplished in this parliament: 0.00.

The right hon. Leader of the Opposition (Mr. Diefenbaker) spoke a long time. The right hon. Prime Minister (Mr. Pearson) also. Has any mention been made of the peoples' taxes? No. It is becoming a habit, it seems. Unless there are changes, let us not be surprised if confederation does not long hold together, if the people become discouraged with its members of parliament. If this keeps up—

Mr. Speaker: Order, please. I must also rise on a point of order. The hon. member for Lapointe (Mr. Grégoire) may not relish the subject now under discussion, but under the rules, we are restricted in this debate to the subject matter of the amendment introduced in this house. I take it for granted that the remarks the hon. member for Lapointe is making are in the nature of a preamble to what he intends to say later when he comes around to the amendment, but I should like to point out to him that under the rules, he should discuss the subject matter of the amendment.

Mr. Grégoire: Mr. Speaker, you have just confirmed my own findings. The rules are so poorly designed that if I want to speak at all, I am required to speak about scandal. You will have to admit that this is the final inconsistency and stupidity, to be forced to talk about scandals. Can we not say a few words about supply? Are we not on a supply motion? That is the main motion.

The amendment. Well, a Conservative member once again put us on this business of scandals and we have to talk about them. Mr. Speaker, the rules themselves require that. That is why I say—

Mr. Speaker: Order, please. I do not know whether I should intervene again at this time, but I shall point out to the hon. member that the rules provide, should he so wish, that he may speak to supply after tonight's vote.

Mr. Grégoire: That is the most logical thing yet, Mr. Speaker. Two days are provided to debate supply but in the final analysis, there is only one half hour after the vote, for discussion. That is marvellous. Out of two days on supply, half an hour is allowed, after the vote.

In the amendment, Mr. Speaker, the Prime Minister (Mr. Pearson) is taken to task for asking for files on all kinds of things concerning the members of parliament in the last 10 years. The Prime Minister has told us his side of the story which differs from commissioner McLellan's. One of them did not explain himself well or did not tell the whole truth.

Mr. Speaker, the Prime Minister rose to state: here is what I said. If he feels that commissioner McLellan did not tell the whole truth, it is his duty to discharge him. He has no alternative. It is either the Prime Minister or the R.C.M.P. commissioner who has to go. That is the decision facing the Prime Minister. If the R.C.M.P. commissioner has told the truth, the Prime Minister has to leave. If

the Prime Minister is telling the truth, then the R.C.M.P. commissioner has to leave. There is no other choice.

They cannot both stay because there would always be one of them who did not tell the truth, maybe not on purpose, but it remains that he would not have told the truth.

I was surprised to see that commissioner McLellan gave answers so quickly, even without being asked anything. From what I can see, questions were not even put to him and the R.C.M.P. commissioner gave answers, and quickly at that, apparently happy to do so. His attitude gave me the impression, and other members told me they had the same impression, that the R.C.M.P. commissioner felt that things had not been going too well for some time and took that opportunity to make some statements and say afterwards: Now, if the Prime Minister wants to discharge me, everyone will claim he is getting even and my position is safe.

That, Mr. Speaker, is an interpretation which is entirely logical.

Should the Prime Minister discharge commissioner McLellan, many people will say that he is getting even. And the commissioner is sure of keeping his post, or, at least, he wanted to make sure he would keep it that way. If you read the evidence over, you will see that the answers were given quickly, that the commissioner even anticipated the questions, that he gave the answers freely without even waiting for the questions. That is strange.

But on the other hand, all that was brought to light in order to distract attention from the Munsinger case, to put the blame on someone else. The Leader of the Opposition would be happy to focus on the Prime Minister the attention now centered upon him, to try to prevent the inquiry into the Munsinger case.

Mr. Speaker, the house or the Canadian people should not allow attention to be drawn off the main point, which is the Munsinger investigation itself.

As far as the other problem is concerned, the right hon. Prime Minister gave us explanations. He stated what he had said that day he requested the reports. As I said a while ago, this is inconsistent with what the R.C.M.P. commissioner said.

The Prime Minister knows very well now that there remains only one solution for him and for the R.C.M.P. He should not need much time to decide. I agree that the examination and cross-examination of commissioner McLellan has not yet taken place. If he wished to correct or justify certain answers he gave at that time, the Prime Minister would have a part to play. If his statement is corrected in the sense mentioned by the Prime Minister, the case will be settled; if not, the Prime Minister will have to dismiss commissioner McLellan.

May I call it six o'clock, Mr. Speaker?

Mr. Valade: May I put a question?

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the following questions will be discussed on the adjournment motion tonight: the hon. member for Kootenay West (Mr. Herridge), External Affairs—mainland China—possibility of recognition; the hon. member for Springfield (Mr. Schreyer), Agriculture—request for white paper on national policy; the hon. member for Winnipeg North Centre (Mr. Knowles), Old Age Security—request for increase to $100 per month.

BUSINESS OF THE HOUSE

CHANGE IN TIME FOR TAKING OF VOTE ON AMENDMENT TO SUPPLY MOTION

Mr. Knowles: Mr. Speaker, I rise on a point of order in relation to the time of the vote which is scheduled for 8.15 p.m. today. In view of the fact there has been an important statement by the Prime Minister today, I am wondering whether the house would be amenable to the idea that each of the opposition parties be given an opportunity to make at least a brief statement. Perhaps we could have unanimous consent to postponing the time of the taking of the vote until the hon. member for Lapointe has completed his remarks and the leader of the Social Credit party and the leader of this party have had an opportunity of speaking.

Some hon. Members: Agreed.

Mr. Knowles: I would suggest, Mr Speaker, that we postpone the taking of the vote until nine o'clock so that the time between eight and nine could be divided equally among those members.

Mr. Speaker: Does the house give unanimous consent to the suggestion made by the hon. member for Winnipeg North Centre?

Business of the House

Mr. Churchill: Mr. Speaker, if it is clearly understood that when the hon. member for Lapointe has completed his speech the leader of the Social Credit party and the leader of the New Democratic Party will have an opportunity to speak and that the debate will then be concluded, we are agreeable.

Mr. Speaker: Is that the understanding of the house?

Some hon. Members: Agreed.

[*Translation*]

Mr. Mongrain: I rise on a question of privilege.

I should like to point out that there are two independent members in this house and that they too are entitled to have the floor.

Mr. Speaker: Is the hon. member against the motion which has just been made?

Mr. Mongrain: Yes, unless the two independent members are allowed to have the floor for a few minutes.

[*English*]

Mr. Knowles: Mr. Speaker, we are prepared to agree. On behalf of my leader let me say that I understand he intends to speak for not more than 15 minutes.

• (6:00 p.m.)

Mr. Thompson: Mr. Speaker, I would keep my remarks within a limit which would permit the independent members to have their say as well.

Mr. Speaker: Is it the suggestion now that the two independent members will take part in the debate?

Some hon. Members: No.

[*Translation*]

Mr. Mongrain: We are asking that either one be given the floor for not more than ten minutes.

[*English*]

Mr. Thompson: Mr. Speaker, what I meant to say is that we can still keep the nine o'clock deadline if we allow one of these members to speak, if that is your wish.

Some hon. Members: Agreed.

Mr. Speaker: Is it agreed that the hon. member for Lapointe will complete his remarks and that there will be one speaker for the Social Credit Party, one speaker for the New Democratic Party and then the member for Trois-Rivières? In any event, the outside limit will be nine o'clock so that the vote will be called for nine o'clock rather than 8.15.

Some hon. Members: Agreed.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, may we have the assurance that the independent members will not be allowed to go beyond that and that enough time will be left—what would happen if the N.D.P. member were to speak for three quarters of an hour, to say nothing of other members?

[*English*]

Mr. Speaker: Is it agreed that this shall be made an order of the house?

Some hon. Members: Agreed.

Mr. Valade: I have a question of privilege, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member cannot raise a question of privilege now; it is after six o'clock.

Mr. Valade: But this point has been before the house for the last ten minutes.

Mr. Speaker: Is it unanimously agreed that we sit after six o'clock to hear a question of privilege?

Some hon. Members: No.

Mr. Speaker: 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.

SUPPLY

The house resumed consideration of the motion of Mr. Sharp for committee of supply, and the amendment thereto of Mr. Fairweather.

Mr. Valade: I rise on a question of privilege.

Mr. Deputy Speaker: Is the hon. member rising on a question of privilege?

Mr. Valade: Yes, Mr. Speaker. Before the House adjourned at six o'clock, I rose to ask

permission of the hon. member for Lapointe (Mr. Grégoire) to ask a question. The occupant of the chair at that time did not recognize me. After this right was refused, there were five members who rose on questions of privilege or points of order. They were all recognized. I was deprived of my right, without any explanation from the Chair. I believe I have the right to put a question to the hon. member for Lapointe if he would allow me to do so. On this score I think my right as an individual member of parliament has not been recognized. I hope that I can now put the question, if the hon. member for Lapointe allows me to do so and if the Chair would recognize this right.

Mr. Deputy Speaker: The Chair will be pleased to recognize the right of the hon. member to put a question if the hon. member for Lapointe is willing to accept it.

[*Translation*]

Mr. Grégoire: Mr. Speaker, as I do not have too much time left, I would ask the hon. member for Sainte-Marie (Mr. Valade) to wait until I have completed my remarks. I will then be only too glad to answer his questions.

[*English*]

Mr. Valade: I am sorry to interrupt the hon. member but I forgot to mention when I stated my question of privilege that the house did not adjourn until seven minutes after six. I rose at one minute before six, but I was refused that right to ask a question.

[*Translation*]

Mr. Grégoire: When I have completed my remarks, I will be pleased to answer the questions of the hon. member for Sainte-Marie.

Mr. Speaker, in his testimony the R.C.M.P. commissioner made a few statements provoking the ire or the anger of certain members of the opposition. This afternoon the right hon. Prime Minister (Mr. Pearson) made a correction. If we accept his statement, then we will vote against the amendment; on the other hand, if we vote in favour of the amendment, we would be saying that the Prime Minister lied when making his statement.

Mr. Speaker, this is a poor situation, because not only have scandals been raised, but even the Prime Minister's word is being questioned. Of course, we do not have all the facts in this matter. There were witnesses to the conversation between the Prime Minister and the chief commissioner of the R.C.M.P. The present President of the Privy Council (Mr. Favreau) was there, and so was the secretary of the Privy Council, Mr. Robertson.

• (8:10 p.m.)

Obviously, if we had the opportunity, before the vote, to question those witnesses, we would have a better idea of what may have occurred during that conversation. But the vote will soon be taken and we will not be able to question the other witnesses. We must therefore vote on the amendment without having heard those witnesses.

Mr. Speaker, for the time being, I do not hesitate to say that, even though the Prime Minister is a Liberal, which may be a defect, on the other hand I believe what he said. I think he is an honest man and I do not hesitate to believe what he tells us. Just as I can say to the Leader of the Opposition that I did not doubt his word either. I have always respected him to the extent that, when he rose in this house to make as strong a statement as the Prime Minister made this afternoon, I always took his word for it, as I did in the case of the Prime Minister. Everything is based, as I said this afternoon, on accusations made on both sides. But when one considers who makes the accusations, the value of the argument put forward by the one who moved the amendment yesterday is reduced.

For two or three years now, in the House of Commons, a pretence is made at discussion in order to sully reputations. The opposition blames the government today for doing what it has been doing for three years. For instance, we saw the reputation of the member for Matapédia-Matane (Mr. Tremblay) tarnished without his being even given a chance to justify himself and without his accusers being requested to retract their words.

Those who doubt other people's word are the first to object to light being thrown on accusations made against them.

I remember among other things—and the hon. member for Yukon (Mr. Nielsen) must recall this—that he was once accused himself in this house of making false statements under oath. The hon. member for Yukon was accused of this before and he did not want the truth to come out in this regard; he did not want those who laid the charges to be in a position to prove them. Charges had been made against him that he had made false statements under oath. However, he did not want those who had made such charges to be

given an opportunity to prove them. He took advantage of exceptional circumstances to camouflage the affair. But we were not convinced by that. I, for one, was never convinced; I do not say he was wrong, but I know he avoided any clarification of that matter.

Those were serious charges, charges of having made untrue statements twice, under oath. The hon. member for Yukon, as I say, did not want light to be thrown on that matter.

Now, they are the ones who make accusations, who smear reputations, but when they are involved, they do not want any part of it. The hon. member of Yukon knows that I speak the truth. When he was offered to have the matter referred to the committee on priviliges and elections, he objected. He cannot deny that and he does not deny it. Besides, it is in *Hansard;* I do not know the date when this took place, but it is in *Hansard.*

What does this prove? Since mention is made of what detracts from parliament's reputation, I take the opportunity to point out this fact, after due consideration. In my opinion, the accusations made still remain. Indirect means were used to conceal those accusations, but they still stand. As long as the member for Yukon will not take it upon himself to refer the matter to the committee on privileges and elections, I shall have my doubts.

Mr. Speaker, if the member for Yukon wants to protest against this, he is free to do so. But he knows I am right and that he refused to deny the accusations made against him. He has nothing to answer to this.

Mr. Speaker, I should like to move a subamendment to the amendment of the member for Royal (Mr. Fairweather), before my time is up.

I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That all the words after the word "That" be struck out and replaced by the following words: the actual operation "smear" which has been taking place for too long, should cease immediately and that parliament should proceed to a sound and honest legislation for the well-being of the Canadian people.

Mr. Valade: Does the hon. member allow me a question?

Mr. Grégoire: I shall conclude my remarks before answering the question of the hon. member.

[Mr. Grégoire.]

We tried to draft that amendment in such a way that no one can accuse us of indulging in petty politics or taking a roundabout course.

We would simply like the house to express its wishes clearly today, because we are all tired of those endless discussions always bent on destroying reputations.

We would like to see an end to that and see the government concern itself from now on with legislating for the good of the people. Enough of personalities, let us concern ourselves with the people; they are waiting for us to legislate in their interest. I think that all parties in the house should agree on that. Let us bury the hatchet and work from now on for the good of the people.

It seems to me that, from all sides of the house, members should vote unanimously for that subamendment to put a stop to those slander campaigns and prevent us from losing more time as we have been doing for too long; from now on, let us legislate in the interest of the people.

The hatchet should be buried to allow us to work for the welfare of the people. It is time for the house to assume its responsibilities. A great number of bills are waiting to be considered and passed. The people are looking towards parliament and waiting for us to legislate for them.

We take money out of their pockets as taxes but there is never any time to discuss their problems.

Time is spent discussing all kinds of other things. That is what happened, as I said this afternoon, when the estimates were considered. Right now a supply motion is before us and what are we talking about? Scandals again.

It would be time to proceed with legislation. That is what the Ralliement Créditiste recommends.

I am convinced that a good number of people in this house will support us. Let us put a stop at last to those endless and useless fights and let us get to work and legislate to improve the lot of our fellow-citizens.

Mr. Valade: Mr. Speaker, would the hon. member allow me a question which I have long wanted to ask him?

Mr. Grégoire: Certainly, Mr. Speaker.

Mr. Valade: Before the six o'clock recess the hon. member for Lapointe said that the Tories and the Grits were smearing each other over the Munsinger affair. Will the hon.

member for Lapointe admit that the first member in this house to mention the name of a former minister supposedly implicated in the Munsinger affair was none other than his present leader, the hon. member for Villeneuve (Mr. Caouette)?

Mr. Caouette: Mr. Speaker, I rise on a question of privilege. If I named the minister mentioned, I never made any accusations against him, and I formally stated in this house that if this concerned only the private life of certain people, the federal parliament was not the place to name or accuse anyone. I did not make accusations against the minister in question, and the hon. member is the one to mention him.

Mr. Valade: Yet, you did mention his name.

Mr. Caouette: Of course, just as I can mention yours anywhere.

[*English*]

Mr. Deputy Speaker: Order. The Chair would like to make reference to the subamendment moved by the hon. member for Lapointe (Mr. Grégoire). May I refer the house to citation 203, to be found at page 171 of Beauchesne's fourth edition.

Mr. Nielsen: Mr. Speaker—

Mr. Deputy Speaker: Order, please.

• (8:20 p.m.)

Mr. Nielsen: Are you going to give us a chance to argue on the validity of the motion, Mr. Speaker?

Mr. Deputy Speaker: Order, please. I should like to refer to citation 203(1) of Beauchesne's fourth edition. Before doing so, may I say to the hon. member for Yukon (Mr. Nielsen), since time is limited, that my mind is made up as to the validity of the subamendment. I shall now proceed with my ruling at this time.

Citation 203(1) at page 171 says:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed. Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.

May I go further and cite for hon. members citation 203(5):

> An amendment was ruled out because it raised a new question which could only be considered on a distinct motion after notice.

It is the opinion of the Chair that the subamendment moved by the hon. member for Lapointe (Mr. Grégoire) is not relevant to the amendment and, second, that it raises a distinct question which can be considered only by a motion on notice. The Chair therefore rules that the amendment raised by the hon. member for Lapointe is out of order.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I rise on a point of order. It is a pity you did not ask the opinion of the house, because although I had read the two citations you quoted I wanted to give a third one which would have settled the matter. It was—

[*English*]

Mr. Churchill: Order. The ruling has been given.

Mr. Deputy Speaker: Order, please. The Chair has already made a ruling regarding the subamendment moved by the hon. member for Lapointe.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I take part in this debate with a heavy heart because we in this party feel that parliament has had too much mudslinging, scandal mongering and character assassination over the past number of months. We should have welcomed having parliament get down to some of the fundamental matters which affect the welfare of this country.

However, the statement which was attributed in the public press to the commissioner of the R.C.M. Police, in a recent appearance before a judicial inquiry, is something, first of all, which affects the rights of members of this house, and secondly, affects the administration of justice. If the police can be used for political purposes of any kind, under any circumstances, then we have begun the destruction of democracy and the establishment of a police state.

It is therefore important that this matter be discussed. I only regret that some statement such as the one the Prime Minister made this afternoon was not made last Friday, because it is idle to argue that we ought to wait until the judicial inquiry is completed. This is a collateral matter. The statement of the R.C.M.P. commissioner was carried in every newspaper, over every radio, and on every television service, and it has already been judged in the court of public opinion.

The members of this house and the people of Canada were entitled to a clear and explicit statement from the Prime Minister about

this. Last Friday there was ample opportunity to make such a statement. It was not made.

There being only a few moments before the vote is taken, and some other hon. members wishing to speak, I shall make my remarks as concise and to the point as possible. The basic issue in this amendment is whether or not the Prime Minister asked the commissioner of the R.C.M. Police to ascertain whether he had any information on his files which would indicate any impropriety or anything of a scandalous nature involving any hon. member in any party, over the last ten years.

No one will question the right of the government to use files in order to take action against any member of parliament or against anyone else who has broken the law, or who is guilty of some misdemeanour. But what has alarmed the country, and what has disturbed and dismayed a great many Canadians is the possibility that R.C.M.P. files were to be used in order to intimidate or to blackmail members of parliament.

If that process were to be started with members of parliament, there is no reason why it should not be extended to candidates; there is no reason why it should not be extended to the presidents and secretaries of political organizations in the constituencies; there is no reason why it should not eventually be extended to looking at income tax returns or at any other type of documents which have always been considered confidential. Therefore the house and the country are properly exercised about the statement which was attributed to the commissioner of the R.C.M.P.

This afternoon the Prime Minister said that he had not asked for an investigation by the R.C.M.P. into any of the private improprieties, or into any of the things of a scandalous nature concerning the private lives of members of parliament. Mr. Speaker, I accept the Prime Minister's statement. I do not think we can have government in this country unless we are prepared to accept the statement of the Prime Minister made on the floor of the House of Commons.

However, when the hon. member for Lapointe says that anyone who votes for this amendment is saying that the Prime Minister lied, I want to take issue with him. While the Prime Minister denied asking for an investigation into the private peccadillos of members of parliament, he did say, as I understood him, that he had asked the R.C.M.P. commissioner to examine the files to see if there were any improprieties, or anything of a scandalous nature respecting any members in any parties, over the last ten years, with reference to their public lives. That would be with reference to such things as intervening in matters havi..g to do with the Department of Justice, or with the Department of Citizenship and Immigration, or with anything having to do with security. Mr. Speaker, I submit that while that is less reprehensible than asking the R.C.M.P. to look into the private lives of members, it is still reprehensible.

I should like to know, for instance, why the Prime Minister would ask for this information about members of parliament, going back over a period of over ten years. I should like to know what he proposed to do with this information. I should like to know what action he proposed to take on the basis of those files. If he were here and if he were prepared to tell the house that, we might understand his motives.

I do not for a moment question the Prime Minister's right to ask for any information that he can get regarding members of the cabinet and parliamentary secretaries because, with the collective responsibility of cabinet, he is responsible for anything they do and he must know everything about cabinet members that it is possible for him to find out.

Nor do I question his right, through the Minister of Justice, to say to the commissioner of the R.C.M. Police: "If you had information on your files regarding any members of parliament or anybody else on which you have not taken action because of political pressures in the past, I, as Prime Minister, am now authorizing you to take such action, and to take it into the courts, and to take it in the proper manner through the due process of law".

• (8:30 p.m.)

But, Mr. Speaker, I object strongly to the Prime Minister setting himself up as a judge and jury and having placed on his desk files collected by the R.C.M.P., and having discretion placed in his hands as to what use will be made of those files. If there is anything in those files which indicates that some criminal act has been committed, if there is any misdemeanor shown there, then the R.C.M.P. should have acted on them long ago. If the Minister of Justice wants to instruct the R.C.M.P. to take such action now he will have our full support. But surely it is an

entirely different thing for the Prime Minister of the country to go on a fishing expedition, to be poking through the political garbage cans of this country to see whether he can find something which has an unpleasant odour in connection with the public actions of members of this parliament. I say this is a very dangerous precedent which the Prime Minister has established by his speech today.

If the amendment is refuted, does it mean that this House of Commons is giving its assent to a new principle in government? Does it mean that future Prime Ministers will upon taking office have the full assent of parliament in instructing the head of the mounted police to begin curry combing the files to see whether he can find some morsel of gossip or some peccadillo which the Prime Minister can keep up his sleeve for future use?

I am sure the house is fully seized of the importance of the issue at stake. We have always prided ourselves, living in a democracy, that the administration of justice and the functioning of the police were free from political interference and partisanship—that if some person has committed a wrong the R.C.M.P. will consult the law officers to see whether or not they have a prima facie case. And if they have sufficient evidence to warrant the laying of charges, the person so charged will have the opportunity to defend himself in court through the due processes of law.

The moment we begin to destroy this basic principle of democracy, the moment we allow a prime minister, no matter who he may be or what party he heads, to begin collecting R.C.M.P. files for his own use, at his own discretion, we have taken the first step toward establishing a police state in this country.

I want to conclude by saying that I do not accuse the Prime Minister of lying. I am prepared to accept the statement he made this afternoon. I am saying that on the basis of his own statement as to the instructions he gave to the R.C.M.P. commissioner, he erred in giving those instructions and made a most unhappy departure from the long established principles of democratic government.

I want to say to the Prime Minister, or to his colleagues who can convey this to him, that if he is prepared to rise before this vote is taken and apologize to the house for the instructions he gave, and assure the house that this practice will not be followed and that his apology will constitute a precedent against any future prime minister following such a course of action, then I am quite prepared to see this amendment dropped. But if the Prime Minister is not prepared to do this, I say that on the basis of his own statement to the house this afternoon he stands condemned of having given instructions for an investigation into the lives and activities of members of parliament which, if allowed to stand, will do irreparable damage to the democratic form of government in Canada.

Mr. R. N. Thompson (Red Deer): Not having had an opportunity to take part in this debate, particularly following the participation in it by the Prime Minister this afternoon, when he gave his explanation of the events which led to the charges contained in the amendment before us, I am grateful for the few moments available to me at the present time to set out the position of the Social Credit party.

I believe that we as members of parliament ought to be more concerned with this debate than with any debate which has arisen for a long time. It is not just parliament which is at the heart of this issue; it is the rights and responsibilities of every member of this house.

In the first instance, the principle stated in the amendment is a vital and basic principle of parliament. In my opinion it is not the prerogative of the Prime Minister or of any member of the government to peruse R.C.M.P. files or reports relating to members of this house, nor is it the responsibility of the R.C.M.P. to provide such information to the government about the past or present conduct of members.

There may be two important exceptions—one, where there is a question of the security of the nation being involved, and the other where there has been some transgression of the Criminal Code. In either case the R.C.M.P. must report to the Minister of Justice, or, under the new organization of government, to the Solicitor General. If the government or any of its members fail to observe these basic principles then, truly, the useful existence of every member of parliament will have been destroyed and the institution of parliament itself undermined.

We must therefore support the principle set out in this amendment, that is to say, that the R.C.M.P. shall not be used by any member of

the government to provide information regarding the conduct of members of parliament; nor is it the right of the R.C.M.P. to divulge such information except to the minister in the cabinet who is responsible for the administration of justice.

To me, the whole matter centres on one simple question: Is the Prime Minister responsible for parliament or is he responsible to parliament? I do not think any Prime Minister is responsible for me. I think I have a responsibility to him as leader of the government of a nation of which this parliament is the most vital part.

• (8:40 p.m.)

I do not think that the Prime Minister can rightfully take upon his shoulders the responsibility for members of parliament because basically, according to the principles of parliament as I understand them, under the traditional parliamentary system in which we operate we are all responsible to parliament. Therefore if situations do arise where the conduct of an hon. member is involved there are other definite, specific channels through which he can move. In this regard you, Mr. Speaker, are one who holds a most vital position, and it is to you that the Prime Minister and all of us must look on matters respecting the conduct of hon. members.

The Prime Minister has today outlined his position with respect to the particular situation in which we find ourselves. He has stated the circumstances as he saw them. He was involved in a situation at the time when he sought the assistance of the commissioner of the R.C.M.P., a situation which I am sure we all would agree was a most difficult one for him. I do not for a moment question his motives in doing what he did.

Because he is the Prime Minister, because he is the leader of the government, I believe it is my responsibility to accept the statement he made, although I cannot agree that in each instance he was warranted in taking the action that he did, nor can I agree that he gave us the explanation as clearly as he might have done. Nevertheless, if we have come to a point in this parliament where we do not and cannot accept the word of the Prime Minister, then indeed we are in a sorry mess.

It is only reasonable to say that the statement he has given is his explanation of why he felt he must do those things was in the best interests of the country. On reflection however, I hope he will see the errors of his action, and make sure that not only does this

[Mr. Thompson.]

mistake not recur but that steps be taken to guard the interests of every member of the house and preserve the rights and privileges of the house.

Having said that, I come back to the issue involved. Yesterday, as I listened to the hon. member for Royal (Mr. Fairweather) presenting the background to the amendment he moved, I could not but agree with what he said. He set a very high level and tone for this debate, based upon what I am convinced was his sincere conviction. But what has happened since then is that we have lost ourselves once again in the constant bickering and in-fighting which has characterized this house for the last three or four years, and which has been responsible for the lowering of the image of parliament and the lack of respect for this house across the country.

Therefore we have to come to the reality of the situation in which we are. At this point it is basically a political one. What we have seen happening today is something that has been most discouraging to hon. members who want to get on with the business they were elected to do. It might be well if an arena could be found somewhere for the leaders of the two main political parties, in which they could go to it, thus allowing the rest of us to get on with the work that has to be done.

To precipitate a crisis in the country at this time will solve nothing. In saying this I could add we do not have respect for either of the two main leaders for the way in which they have faced up to their responsibilities in this house. The stability of parliament and the ability of all of us who make up parliament to get on with the job are things that are our own direct responsibility, and theirs.

I must say that whatever happens in the vote tonight, it is a responsibility of all of us to awaken ourselves to the fact very quickly. Certainly I am not going to be led into some pious crusade for self-righteousness as sought by the hon. member for Qu'Appelle (Mr. Hamilton) as he spoke last night, because I think he dropped this debate into the political doldrums and into the wrangling in which he find ourselves today. So, Mr. Speaker, despite the scandalmongering and character assassination which has characterized this session of parliament, we must be objective tonight and face up to the real issue before the house. We must continue to deplore this type of thing. We believe something better is expected of us. Sir Francis Bacon had something to say about this type of situation. I was reminded of his words by a statement in the press by a

journalist friend of mine, who made a case for the fact that the people of Canada want to be governed. Not only do they want to be governed but they expect to be governed. The words of Sir Francis Bacon have survived many governments and many parliaments, and they are:

> When discords and quarrels and factions are carried openly and audaciously, it is a sign that the reverence of government is lost.

Here is the key reason why we have lost the respect of the people who have elected us to do a job which they still expect us to do.

I think it was unfortunate today that the Prime Minister, or at least some members of his cabinet, did not see fit to let the Leader of the Opposition (Mr. Diefenbaker) put on record what was already public knowledge—the words that were first spoken before the inquiry by the commissioner of the R.C.M.P. That is another item that will have to be marked down as an error. Though I regard it as such, I must respect the Prime Minister's statement and what he outlined to be his reasons for his actions regarding the file summary which was given to him by the R.C.M.P. commissioner and which, as he explained, was filed away by the chairman of the security committee in the Privy Council.

Though we realize the conditions which existed in November, 1964, I think we can say it was to the credit of the Prime Minister that he called in the Leader of the Opposition and explained the situation to him in February, 1965. If there were any doubt about the motives of the Prime Minister, this is corroboration for what he said today, because it should be obvious that he was trying to do what he thought would be the right thing. To impute selfish motives to him in this, is to cast a slur on all members of parliament and to say that all members are here for selfish reasons.

On the strength of the statement of the Prime Minister today and the events of November and December, 1964, we in the Social Credit party are compelled to take a position where we say that the subject matter of the amendment moved by the hon. member for Royal is not relevant to the situation that is before us, and therefore we cannot support it on that basis.

I would just say this in closing, Mr. Speaker, that this does not take away—

Mr. Diefenbaker: Hypocrisy rampant.

Mr. Thompson: Would hon. members please give me a little of the respect that they get from us when they speak?

Mr. Ricard: You don't deserve it.

Mr. Thompson: Our action on this vote tonight does not take away one iota from the principle that is enunciated and stated in the amendment for certainly, if the Prime Minister had not explained his position today, it would have weakened the very warp and woof of this institution.

• (8:50 p.m.)

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order, please. The hon. member for Red Deer.

Mr. Thompson: Thank you very much, Mr. Speaker, for bringing some of the hon. Conservative members out of their dishonourable noise making. This outlines our position, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Trois-Rivières.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, my remarks will, of necessity, be brief for two obvious reasons: First, only a few minutes remain and second, it seems that all that needed to be said in this debate has been said eloquently.

This afternoon, when we, the independents, claimed the right to express our views for a few minutes. I heard someone on the opposition side say:

[*English*]

You will vote Liberal anyway.

[*Translation*]

This worthy colleague felt, as I did, that his chief had not succeeded in bringing me around to his point of view.

I have not always voted with the Liberals, I am not committed to vote with them, but in the circumstances, I have listened to all that has been said on both sides of the house. Some things struck me as an independent member, for instance when someone said that it could not be imagined that the right hon. Prime Minister (Mr. Pearson) could have strayed from the truth. It should, however, be said about him that he is an honourable man since, this very afternoon, he staked his honour.

Morality in Government

I was surprised to hear the hon. leader of the New Democratic Party (Mr. Douglas), whom I hold in high regard, say, after admitting the Prime Minister's honesty: But after all, what does the Prime Minister intend to do with all this information? What evidence do we have that he does not intend to use it to compromise some member of the house?

I believe that the evidence we have is what the leader of the New Democratic Party recognized a while ago: the honesty of the Prime Minister and the fact that he has given his word of honour.

What more can be asked of him? I presume the leader of the New Democratic Party would not ask the Prime Minister to kneel in the center of the house to beg forgiveness for what he himself calls an admission. I cannot imagine that he could ask for such a thing.

Besides, I find that the amendment on which we will vote is machiavellian to a certain extent. It comes from a side of the house which, for two or three years, has been accusing the government of hiding scandals, of condoning to a certain extent all kinds of wrongdoing, of encouraging all kinds of crimes. And now the Prime Minister is accused of going where he found such information, that is the R.C.M.P.—such information cannot be found elsewhere—to find out if anything can be held against any member of parliament. It seems to me that he showed courage in view of the fact that—and those who are here know it—he asked some of his closest collaborators to resign following information he received. Therefore, he had the courage of his convictions and we should pay tribute to his courage and integrity.

Some hon. Members: Hear, hear.

Mr. Mongrain: Besides, Mr. Speaker, we find something else shocking. It is the fact that some learned lawyers agreed to play that game. I have a deep respect for the bar, even if at times I thank the Good Lord for not making a lawyer out of me. I see many lawyers who do a thing which appears to me to go against their professional ethics: they allow themselves to bring here all the evidence given to a royal commission, to evaluate it, to weigh it, to read it as they wish, and in some cases they lean obviously on the side of their own electoral interests. It has always seemed to me, as an ordinary man, that it was against the most elementary decency to do such things and that the house should give the judge who is hearing the evidence time to complete his case and submit his findings before getting into the act.

Some hon. Members: Hear, hear.

Mr. Mongrain: Another thing surprises me in all that, Mr. Speaker. I just want to point out that everything that is happening now is the result of an unfortunate state of mind, which, as everyone said, is beginning to discredit parliament before public opinion. One or two members here, for whom I have a deep respect, should use their authority to say that things have gone far enough.

If this is not stopped as soon as possible, it will become a sort of electoral Russian roulette turning against the leaders of the main parties in the house. A sort of parliamentary masochism is being allowed which scandalizes public opinion and only kills in the rising generation any respect for the institution of parliament which we are trying to restore and promote in every way.

In my opinion, the two old parties should cease these overly violent and partisan battles. I think that we should instead discuss the value of future legislation and better ways to ensure the public good. Like many others who spoke before me, I believe that this is what the leaders of the two old parties should be concerned with, particularly the Leader of the Opposition, since it is he, in fact, who raises or allows these objections. He said that this is his role. I know it is, but his objection must be based on the discussion of bills promoting the good of the nation; it must not lead to discussion of slander or be inspired by obsessions which every day bring up in the house sickening details which we discuss to the great disgust of the Canadian people.

Mr. Speaker, I shall vote against the motion tonight because I do not want to be party to this waste of time and all these scandals, this whole sickening atmosphere which has been allowed to pervade this house far too long.

I shall resume my seat after this plea because, again, I respect the Leader of the Opposition. I ask him to put an end to all this slander as soon as possible.

Some hon. Members: Hear, hear.

[*English*]

Mr. Deputy Speaker: Order. The hon. member for Cape Breton South.

Mr. MacInnis (Cape Breton South): Mr. Speaker, the hon. member in his remarks

referred to the fact that he did not want to take part in this nauseating procedure. I would call attention to—

Mr. Deputy Speaker: Order. If the hon. member has a point of order, I would ask him to state it.

Mr. MacInnis (Cape Breton South): My point of order, Mr. Speaker, is that prior to the supper hour it was through the request of the hon. member, who said he did not want to take part in this nauseating procedure, that an arrangement was made by an order of the house that the house sit beyond the voting hour until nine o'clock in order to give the same hon. member an opportunity to take part in the debate. He now has stated he would not want to take part in it, and it was through his arrangements that the house sat until nine o'clock to listen to him—

Mr. Deputy Speaker: Order.

Mr. MacInnis (Cape Breton South): —at his own request.

Mr. Deputy Speaker: Order, please. It being nine o'clock, pursuant to a special order passed this day, it is my duty to interrupt the proceedings and put forthwith the question on any amendment before the house.

The house divided on the amendment (Mr. Fairweather) which was negatived on the following division:

• (9:00 p.m.)

Division

YEAS

Messrs:

Aiken
Alkenbrack
Asselin (Charlevoix)
Baldwin
Ballard
Beaulieu
Bell (Carleton)
Bell (Saint John-Albert)
Bigg
Bower
Brand
Cadieu (Meadow Lake)
Cantelon
Churchill
Clancy
Coates
Code
Crouse
Danforth
Diefenbaker
Dinsdale
Douglas
Enns
Fairweather
Fane
Fawcett
Flemming
Forbes
Forrestall
Gilbert
Grafftey
Grills
Gundlock
Hales
Hamilton
Harkness
Hees
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Jorgenson
Keays
Kennedy
Kindt
Knowles
Korchinski
Lambert
Lewis
Loney
MacDonald (Prince)
MacEwan
MacInnis (Cape Breton South)
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean (Queens)
Macquarrie
MacRae
McCleave
McCutcheon
McIntosh
McKinley
McLelland
McQuaid
Madill
Martin (Timmins)
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
Orlikow
Ormiston
Pascoe
Peters
Prittie
Pugh
Rapp
Regimbal
Ricard
Rynard
Schreyer
Scott (Victoria (Ont.))
Sherman
Simpson
Skoreyko
Smallwood
Smith
Southam
Starr
Stefanson
Thomas (Middlesex West)
Valade
Vincent
Wadds (Mrs.)
Watson (Assiniboia)
Webb
Winch
Winkler—106.

NAYS

Messrs:

Addison
Allard
Andras
Asselin (Richmond-Wolfe)
Badanai
Barnett
Basford
Batten
Béchard
Beer
Benson
Berger
Blouin
Boulanger
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Caouette
Cardin
Caron
Carter
Cashin
Choquette
Chrétien
Clermont
Comtois
Côté (Dorchester)
Cowan
Crossman
Deachman
Dionne
Drury
Dubé
Duquet
Émard
Éthier
Faulkner
Favreau
Forest
Foy
Gauthier
Gendron
Godin
Gordon
Goyer
Granger
Gray
Greene
Grégoire
Guay
Habel
Haidasz
Harley
Hellyer
Herridge
Hopkins
Hymmen
Isabelle
Johnston
Klein
Lachance
Laflamme
LaMarsh (Miss)
Lamontagne
Langlois (Chicoutimi)
Langlois (Mégantic)
Laniel
Laprise
Latulippe
Laverdière
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard
Lind
Loiselle
MacEachen
Mackasey
McIlraith
McLean (Charlotte)
McNulty
McWilliam
Marchand
Martin (Essex East)

Matheson	Ryan
Matte	Sauvé
Mongrain	Scott (Danforth)
Munro	Sharp
Neveu	Simard
Nixon	Stafford
O'Keefe	Stanbury
Orange	Stewart
Otto	Tardif
Patterson	Teillet
Pearson	Thomas (Maisonneuve-Rosemont)
Pelletier	Thompson
Pepin	Tolmie
Pickersgill	Trudeau
Pilon	Tucker
Prud'homme	Turner
Racine	Wahn
Reid	Walker
Richard	Watson (Châteauguay-Huntingdon-Laprairie)
Rinfret	Whelan
Robichaud	Yanakis—133.
Rochon	
Rock	
Roxburgh	

• (9:20 p.m.)

Mr. Speaker: I declare the amendment lost.

Mr. Fulton: Mr. Speaker, some weeks ago I accepted a pair. My pair is absent tonight on government business. Accordingly, notwithstanding the particular nature of the issue involved in this vote, I had no alternative but to honour the pair. Had I voted I would have voted for the amendment.

Mr. Howard: With respect to pairs, it was requested that I be paired this evening with an absent cabinet minister. In the circumstances, that was far too much of a sacrifice to make.

Mr. Chatterton: I was paired with the Minister of Northern Affairs and National Resources, who is away on government business. Had I voted, I would have voted for the amendment.

PUBLIC SERVICE—JOHN KROEKER—ALLEGED IRREGULARITY IN DISMISSAL

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I rise at this time to take advantage of the opportunity given to members to raise a grievance before the final question is put on the motion. The grievance I raise is a matter that concerns me very deeply and affects the rights of a citizen of this country to free expression. The matter has been alluded to indirectly on many occasions but has never been placed before the house. No decision has been made by the government and no explanation has been given.

[Mr. Deputy Speaker.]

• (9:30 p.m.)

On March 3, 1965 a senior actuary in the Department of Insurance, John Kroeker, was dismissed from the public service. The reason for his discharge was never stated. The method used to terminate his employment deprived him of severance pay of over $2,000. One of the principles of employment of professional men in the public service was raised but was never settled.

I do not want to go into the details of the reason for Mr. Kroeker's objection to his dismissal. He was in the employ, as I say, of the department of insurance. He is a Bachelor of Commerce from the University of Manitoba, a Fellow of the Society of Actuaries, and a member of the education and examination committee of the Society of Actuaries in the United States and Canada. He is married with seven children. His salary on discharge was $15,100.

In his mind, Mr. Kroeker's code of ethics of his profession came into question. He believed that an actuary has a professional obligation not only to his employer but to the public and to his professional colleagues. In his mind, there was a conflict between his government employment and his professional conduct. His integrity as an actuary, as he saw it, was in conflict with government policy. He was not prepared to sacrifice his integrity and he spoke out against the terms of the Canada Pension Plan, which was then being considered by parliament. I want to point out, Mr. Speaker, that at the time in question the Canada Pension Plan had not been passed and had not become the law of the country. It was under consideration by parliament; we were considering the matter in committee of the whole in this house.

I should like to make a comparison between this situation and the professional integrity of an engineer who believes that the construction of certain work is dangerous to the public, but who is instructed nevertheless to complete it. Is it his duty to sit silent because policy has decreed that this work should be constructed? The situation of a medical doctor in the employ of the government service is also a similar comparison. Is a doctor required to do something that his professional ethics do not permit him to do merely because policy is involved?

The circumstances of his discharge were that Mr. Kroeker had criticized the Canada Pension Plan and had stated his criticism publicly. He was not the only person in the civil service who had such reservations about

the plan, but he was the only person who spoke out. His criticism was based on his professional and personal opinion of its actuarial results and its future effect on the Canadian economy.

On or about March 3 he received a notice from the superintendent of insurance stating that he was being suspended. The reason given was "for reasons that are well known to you". He never received a definition of the reasons for his discharge. He appealed to the Civil Service Appeal Board; his appeal was heard and as a result he was discharged from the service.

Perhaps it might be said, Mr. Speaker, that a civil servant has no right to comment on a government proposal. However, I would point out that in this particular case numerous civil servants were then proceeding to go across the country praising the terms of the Canada Pension Plan, which was and had been a political proposal of the government in power. Therefore I would ask where the difference lies. If a civil servant is permitted to comment at all upon proposed legislation, surely the comment should not be limited merely to the expressions of people who are prepared to go out and support it. Surely those who are expert in the field and who oppose the plan should have some right to express their view in giving advice not only to the government but to parliament on the matter before them.

As a result of his discharge this man has not been able to obtain employment with a life insurance company or an actuarial firm since his release from the civil service. He has made an attempt on his own to find such employment and has been registered with the National Employment Service. He has had offers from the United States but does not wish to leave this country. He is presently self-employed on a commission basis with a financial house.

The first question I want to raise is that of his pension, quite apart from the question of his dismissal. If Mr. Kroeker had resigned he would have received some $2,000 severance pay. But since he stood by his principles of professional integrity as he saw them, and as a result was discharged, he stands to lose.

I should like to look into this matter for a moment, because I am going to suggest that, regardless of whether Mr. Kroeker was right or wrong in his statements, the then minister of finance, by his statement to the house, in fact deprived this man of his severance pay.

In 1961, when a special committee of the house was discussing section 60 of the Civil Service Act, the question of resignations was raised. A member of the commission on June 2, 1961 stated that employees are normally permitted to retire, in order to protect themselves, and presumably one element of such protection is a financial one. On March 1, 1965 the then minister of finance announced in the house that if Mr. Kroeker did not resign he would be discharged. This act of the government certainly eliminated the possibility of the routine resignation of Mr. Kroeker.

• (9:40 p.m.)

This whole matter concerns me, Mr. Speaker. It raises questions that I think ought to be considered. May I also ask this question: Why should this civil servant be deprived of his severance pay because he chose not to meekly resign? He may have been wrong in the opinions he expressed, but surely he should not be penalized because he decided that he wanted to be discharged so that he could appeal to the Civil Service Appeal Board.

Second, may I ask, what alternative did he have but to take this case to the appeal board, in view of the statement by the Minister of Finance whereby he lost his right to severance pay. This is the financial aspect of the matter.

I want to compare this case with that of George Victor Spencer. The main questions before the commission in that case were the question of Mr. Spencer's release from the government service and his pension rights. Whether or not you agree with Mr. Kroeker, he had the nerve to stand up, to put his job on the line, and to say: "I do not believe in all this. I am going to say so, and by doing that, I think I shall be doing my country a service".

I think that second thoughts about the Canada Pension Plan over a number of years will show that many of the matters that were raised in committee, and many of the matters that he raised were perfectly valid objections. In time amendments will have to be brought in to this plan.

However, here is a man who said: "I do not like this plan. I am involved in it. I know that everybody else is going around saying what a wonderful thing it is, but I know that it is not, from my professional knowledge of the plan itself, and from the way it is designed. I think I ought to say so." This man at

least had courage. There are very few people left who have the courage, to say: "This is my conviction. I will put my job on the line". Remember, he was a man with a wife and seven children to support.

What he did was I think an act of bravery. I do not think it was an act of cowardice. I do not think the man should be pursued, as he is being pursued, to the point of making his name known across the country. I do not care whether he is right or wrong. Personally I think he was right, and I have said so. However, right or wrong, what comparison is there between this man who spoke out for himself and his children—he said he did not want his children raised under the provisions of this plan—and Mr. Spencer, who was, on his admission, an agent of a foreign government. I think that in all this there are certain matters which ought to be considered. This is a question which concerns me deeply.

We must also ask ourselves whether a professional man in the government service must compromise principles, if necessary, respecting any government policy which has not become legislation. There are many professional men in the public service, including those in the medical fields, in engineering, and so forth. What is their position if professionally they feel obliged to differ from conclusions which have been arrived at by a majority of their colleagues or by the government? Must they stay silent, or must they resign?

Is this the kind of civil service we want, where civil servants must knuckle under, and be prepared to compromise principles, if those principles do not happen to agree with government policy? I am raising this question because that is the sort of thing that has been accepted. For some time now any person who has had some disagreement along these lines felt it necessary to resign quietly from the civil service. I am not sure that this ought to be the situation, particularly as it affects professional civil servants.

Should one civil servant be permitted to praise government legislation and be promoted, while another who, talking about the same legislation and deciding that it is not what he wants, is fired without receiving even his severance pay? I know some people think this to be right. To my way of thinking this sort of thing strikes at the root of a person's freedom of speech.

It was never explained in the house, or to this man, why he was discharged. It was assumed, so everybody thought, that it was because he spoke against the Canada Pension Plan while he was in the government's employ. That was the end of it.

He has not been able to get other employment. On various occasions he has been close to being employed by people who feared that the government would retaliate if they did employ him. He had a speaking engagement at the Sudbury Chamber of Commerce. Then, some time after he left the government service—and this is what bothers me—somebody said that they did not think it in the best interests of the country to hear him because he was opposed to government policy. He received a polite letter from the Chamber of Commerce saying: "We are sorry, but we do not want to get involved in this. We think it best not to hear you".

I do not say that the government was to blame for what happened, because I am sure that no minister would phone the Chamber of Commerce and say: "Do not hear this man". However, the threat is there. The threat is somewhere in the government service. There are people who perhaps feel annoyed at this man because he stood out against the Canada Pension Plan. There are those who feel that, if they become involved with him, they are going to get into trouble with the government.

Most of the people he was associated with, in employment, are required to deal with the government. I think he has been improperly pursued, even following his discharge from the civil service. Assuming that he was properly discharged, why is this man being pursued, because he continued to do what he chose to do? In this particular situation I am asking two things of the government. First, I am asking that an inquiry be convened. I do not ask for a royal commission. However, I do ask that somebody make an inquiry to consider Mr. Kroeker's severance pay and his pension entitlement.

This man ought to be treated in the same way that Mr. Spencer was going to be treated, because Kroeker at least did what he thought was in the interest of his country. As I say, first, I would ask that an inquiry be convened for the purposes I have stated.

Second, I ask that someone in the government should announce that this man will not be pursued, throughout the life of this government, as a result of the real or implied actions of the government, for speaking against what was the pet project of the Secretary of State (Miss LaMarsh), the then

minister of national health and welfare. I do not ask more than that.

This man's case was taken to the appeal board, which, itself, is composed of three other civil servants who are themselves in the same difficult position he was in. The appeal unfortunately was dismissed, and that was the end of it. There are, however, some tag ends.

The Secretary of State has been asked on several occasions in the house if she would not reconsider this man's pension rights. As I understand it, she has said that she had never been asked. However, she has been asked on a couple of occasions, and tonight I am asking again that something be done to reconsider this whole question. I ask that this man not be made a martyr because of the things he had the nerve to do—because he had the nerve to stand up and do what very, very few other people in public service will do, which is to put his job on the line, state his case and take his discharge.

• (9:50 p.m.)

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

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF LABOUR

1. General administration, including grants as detailed in the estimates; the expenses of the International Labour Conferences and the promotion of labour-management co-operation, $4,569,100.

DEPARTMENT OF FORESTRY

1. Departmental administration, $1,121,200.

DEPARTMENT OF NATIONAL REVENUE

1. General administration, operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from firms and individuals requiring special services, $49,278,000.

POST OFFICE DEPARTMENT

1. Postal services including Canada's share of the upkeep of the International Bureaux at Berne and Montevideo, $252,804,000.

DEPARTMENT OF INDUSTRY

1. Departmental administration, including grants as detailed in the estimates, $6,795,400.

DEPARTMENT OF VETERANS AFFAIRS

1. Departmental administration, $6,732,100.

Proceedings reported.

Proceedings on Adjournment Motion

VETERANS AFFAIRS—MOTION TO REFER ESTIMATES TO STANDING COMMITTEE

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

That saving always the powers of the Committee of Supply in relation to the voting of public moneys the items listed in the main estimates for 1966-67 relating to the Department of Veterans Affairs entered for consideration be withdrawn from the Committee of Supply and referred to the Standing Committee on Veterans Affairs.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. McIlraith: Tomorrow the business before the house will, first, be consideration of the motion by way of objection to redistribution proposals relating to the province of Manitoba.

If this is completed before the end of the day we shall proceed to call the following legislation: first, item 54 on today's order paper, the second reading of Bill C-169, an act to amend the Combines Investigation Act and the Criminal Code. Then we would take the second reading of Bill C-150, an act to amend the Research Council Act. That is item 4 on today's order paper. Next we would proceed to consider item 5 on today's order paper, second reading of Bill C-151, an act to provide for the establishment of a fund for the economic and social development of special rural development areas.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

EXTERNAL AFFAIRS—MAINLAND CHINA—POSSIBILITY OF RECOGNITION

Mr. H. W. Herridge (Kootenay West): As a member of the Standing Committee on Veterans Affairs I had an opportunity with my colleagues to attend the opening of the 24th meeting of the Council of the World Veterans Federation held at the Royal York hotel in Toronto on May 1. During that time we were able to meet some of the delegates who were attending from some 49 countries. I wish we had had more time in which to do that and to listen to the various points of view.

Talking with these men and listening to the opening ceremonies, I and others were interested to see people whom I would consider to

be Colonel Blimps in present circumstances speaking very forcefully on behalf of peace. I thought at the time: I wish some of the United States labour leaders could be here to listen to the colonels of various armies who have fought in war taking a much stronger stand on behalf of world peace than many of them have done. The Prime Minister (Mr. Pearson) had intended to be there to deliver an address. Unfortunately, because of his illness, he was unable to be present. But the Minister of Veterans Affairs (Mr. Teillet) delivered his address for him and, I may say, did a very good job and was well received by the audience.

I have the text of the address here. It was one of the best speeches which has been made on this question for a long time, in my opinion, and I listened to every word with great attention. I was so interested that yesterday I rose in the house, after giving the Secretary of State for External Affairs (Mr. Martin) notice, to ask two questions. I thought it would be well worth while to hear from the Secretary of State on this subject. In asking these questions I quoted from page eight of the Prime Minister's text which stated:

> For the United Nations to secure a valid mandate to intervene with effect anywhere in the world, its membership should include states everywhere in the world.

I then asked the minister whether he would inform the house, in view of this statement, what the government was doing at the present time to promote the recognition of mainland China and its admission to the United Nations. I had intended to ask the minister—but I was nipped in the bud—a second question based on the same excellent speech. Here is the quotation I gave:

> The first concrete step in this direction would be a cease-fire, or a more formal armistice agreement, put into effect as part of a wider pattern of peace negotiations without prior conditions.

• (10:00 p.m.)

> Once the cease fire was in effect and as negotiations progressed, equivalent and phased withdrawals from South Viet Nam by North Viet Nam and by the forces of other governments could take place under international supervision.

Then I intended to ask the minister this question: Can he inform the house, in view of government support for United States policy in Viet Nam, what the government is doing at the present time to promote a formal armistice agreement which provides for withdrawal of all the foreign forces from South Viet Nam?

[Mr. Herridge.]

I shall look forward to the minister's reply to these two interesting questions, prompted by a very interesting, and to me a very excellent speech, which received the applause of all delegates present. When the meeting concluded several of the delegates from countries in Africa and the Middle East expressed to me how pleased they were with the contents of this speech and its general approach to the international situation at this time.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, first I want to thank my hon. friend for agreeing to have this matter come up tonight instead of last night. The Prime Minister's statement, which the hon. member has quoted, is a statement of fact which lies behind Canada's support for the principle of universality in the United Nations.

We have consistently supported that principle on the grounds that if the United Nations is to be an effective organ of international opinion it must be able to bring all the members of the international community within the framework of the responsibilities and obligations laid down in the charter. But this is not merely a principle we support in the abstract. It is an objective which we have carried closer to ultimate achievement.

As the hon. member will recall, it was Canada which was instrumental in 1955 in breaking the deadlock which was then barring a substantial number of countries from membership in the United Nations. The achievement of universality, as I told the General Assembly last autumn, remains our firm objective and we would hope that progress could be made toward achieving it as soon as possible.

In the particular case of communist China I have expressed Canada's support for the view of the Secretary General of the United Nations, that it is in the interests of the international community to have communist China exposed to the currents and cross-currents of international opinion to a much greater degree than is now the case. I have in the past recognized that communist China's co-operation is necessary if we are to solve a number of problems in the realm of international peace and security and, in spite of the discouraging attitudes communist China has taken on a number of such questions, this remains the government's view.

Nevertheless we must recognize that part of the difficulty of the question of communist China's participation in the United Nations

arises from the position taken by that country itself, and from the conditions it has set for taking its seat in the organization. In my view, China itself must make an accommodation; it is not only for us to look to what can be done to approach the ideal of universality of the United Nations in this respect.

My hon. friend has asked me another question and, in the time available, I would simply like to say that, as he knows, since last December the government has been engaged in developing a proposal to give the International Control Commission a role in trying to bring about a negotiated settlement in Viet Nam.

The proposal is that the three members of the International Control Commission should agree to consider themselves as a body that would engage in a necessary probing to see if the gap between the various positions of the main parties concerned, as well as other countries involved, could not be narrowed. There have been discussions with both India and Poland, discussions in which it was basically recognized that at the appropriate moment the commission powers might assume the responsibility which we have in mind.

It is a fact that at the present time the opportunities for calling a Geneva conference do not look propitious. Nevertheless this gives the proposal that Canada has made a greater sense of urgency.

A great deal of ground work is required if the necessary foundation for the calling of such a conference is to materialize. I may assure my hon. friend that the Canadian government seriously is engaged in this and in related efforts to try to bring about a negotiated settlement. If some other instrument can be used for this purpose—

The Acting Speaker (Mr. Rinfret): Order, please. I regret to interrupt the hon. Secretary of State for External Affairs, but the time allotted for his speech has expired.

The hon. member for Springfield.

AGRICULTURE—REQUEST FOR WHITE PAPER ON NATIONAL POLICY

Mr. Ed. Schreyer (Springfield): Mr. Speaker, yesterday before orders of the day I asked the Minister of Agriculture (Mr. Greene) whether it was the intention of the government to table a white paper on a national agricultural policy, and whether it was the intention to do this some time within the next 60 days. In other words, I was asking whether the government is in a position to state whether or not it would try to give to the house and to the country a national agricultural policy statement before the middle of the year, and fully three years after having taken office. I do not think this is a particularly unreasonable request.

I asked this question of the Minister of Agriculture yesterday for two reasons. First of all, I asked this question because the Minister of Agriculture himself has been in the habit of making occasional and intermittent references to what he considers to be desirable goals in respect of a national agricultural policy. For example, I have heard him say from time to time that it is about time the family farm and family folk found a place in the economic sun in this country. This is a very desirable sentiment to express, and I have heard him express it on several occasions.

Then, too, according to the press I notice that the Minister of Forestry (Mr. Sauvé), when speaking to an audience in Manitoba just a few days ago, made reference to the possibility of the government's coming forward with a white paper on agriculture. In fact I might quote from the report. According to the minister the federal government is on the verge of producing the outline of a national agricultural policy for Canada. The press report states:

> Speaking at a press conference on the University of Manitoba campus, Mr. Sauvé said he wasn't ready to express his views on a national agricultural policy, but he claimed he had been "working hard" to have the government produce a White Paper on agriculture.

If ministers of the crown are to allow themselves the opportunity to make reference to what well might be desirable goals, principles or features of a national agricultural policy, I do not consider it an unreasonable request to ask them just what the government or the cabinet as a whole is doing with regard to framing or formulating the national agricultural policy.

If a minister of the crown can tell a group of people that the government is working on the formulation of a policy, then the minister or his colleagues should be able to tell a member in this house when it is hoped that his policy will be finalized and made ready for tabling in this house.

• (10:10 p.m.)

It is obvious that the farmers of this country would welcome a comprehensive farm policy statement by this government. Only a few weeks ago the Minister of Agriculture made a statement relative to dairy policy

which has helped a great deal toward informing producers about what they may expect in the next 12 months as far as dairy production is concerned. Similarly it may be said that a comprehensive policy statement would be welcome in respect of other sectors of the agricultural industry, relative particularly to livestock and grain growing.

For those reasons I would ask the minister, or whoever is answering for him at this time, whether or not it is the intention of the government to present a comprehensive White Paper on agricultural policy before the end of this year.

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for bringing this important matter to the attention of the house. I note from his question that he has quoted from a statement made by the Minister of Forestry (Mr. Sauvé) to the University of Manitoba. I can only assume that the Minister of Forestry was referring to a White Paper which he may contemplate producing, concerning the aspects of agriculture which come under his jurisdiction.

So far as the Department of Agriculture and the minister of that department are concerned, I am not aware of the presentation of a White Paper being imminent. The Department of Agriculture and the minister announce from time to time certain changes in agricultural policy. The hon. member has referred to a recent announcement in respect of a dairy policy and the important effect it had on farmers generally from coast to coast. I can only assure the hon. member that when important matters are to be introduced an announcement will be made by the minister in the prescribed way in this house.

I do not have any further information to give my hon. friend at this particular time which might enlighten him regarding the question he has asked.

OLD AGE SECURITY—REQUEST FOR INCREASE TO $100 PER MONTH

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, last Friday morning I asked the Prime Minister the following question, which is to be found at page 4503 of *Hansard*:

> What answer has the government given to a recent request from the National Pensioners and Senior Citizens Federation for an across-the-board increase in the old age security pension to $100 a month?
>
> [Mr. Schreyer.]

The Chair felt that my question was not couched in the terms prescribed for questions to be asked on orders of the day, so I gave the appropriate notice that I would discuss it on an adjournment motion. I welcome the attendance at this time of the Minister of National Health and Welfare (Mr. MacEachen), who I assume will be answering my question. I hope his answer will be one of his better ones.

As the minister knows, as a result of the communication being addressed to him, as well as to the Prime Minister—indeed, copies of it were sent to all members of parliament—the National Pensioners and Senior Citizens Federation is concerned about reports to the effect that any increase in old age pensions may be based on some kind of a test—needs, means or otherwise. This organization feels very strongly, as do many people of this country, and I share their view, that what we need at this time is an across-the-board increase in old age security pensions without a means test, to a figure of not less than $100 a month, payable now at age 65.

When the minister is answering I hope he will not put us off by a reference to the Canada assistance plan, or by telling us that the government is studying this sort of thing, which is often what we hear. This is a serious situation concerning many millions of Canadians, not just those on pensions but many others. Some of us feel that this parliament could go a long way toward redeeming itself in the eyes of this country by taking action on this important question.

Let me say to the minister, although I am sure he knows it, that there are many things about parliament which the people of Canada do not really understand. I believe indeed if they were here tonight they would find it difficult to understand the huge crowd that was on the floor and in the galleries when we were discussing a certain subject, but in this last half hour, when we are discussing the peace of the world, agricultural policy and old age pensions, perhaps it is a good thing that no one asks whether we have a quorum.

When people ask questions about parliament, may I suggest that there are two things that old age pensioners in particular cannot understand. First they cannot understand how it is that we find time in parliament to discuss some of the things which occupy our attention, some of the things which fill our newspapers and are broadcast on radio and on television but, despite the time which we can find for that kind of discussion, we

cannot seem to find time to deal with this question of raising the old age security pension.

An hon. Member: Hear, hear.

Mr. Knowles: I am glad to hear some support from the other side of the house. Greetings, brother.

The other feature which people cannot understand is that parliamentary interest in this question of raising the old age pension seems to have flagged from the high point it reached early in the session. Pensioners have not forgotten that on January 21 and 25 there were votes on the old age security pension having to do with raising the amount to $100 and making it payable at the age of 65. Those votes were very close—five votes the other way could have resulted in the opposite conclusion. Rightly or wrongly, many pensioners had thought that we were very close to getting action and that it would be merely a matter of time before members of parliament would make a decision to take a further step and raise the pension. However, it seems that we are further away from an increase in old age security pension now than we were at that time. The people cannot understand the procedures which are involved in all of this. They cannot understand why we can discuss certain other things, but not pensions. What is wrong with our procedures, what is wrong with our common sense, what is wrong with our sense of responsibility, that we cannot act on this issue?

• (10:20 p.m.)

Everyone knows the ways in which things are changing in our time. Wages and salaries are going up; the standard of living is going up as well as the cost of living. The idea that people should be expected to live the rest of their days on the kind of pension they were given when they retired no longer is valid. It is no longer valid, either, that the pension should be at a level that makes it possible for people merely to stay alive. Indeed, one wonders if they can stay alive on $75 a month. The whole approach of our society is one that recognizes the importance of old age, one that recognizes the right of older people to share in the abundance of our times, to share in our increased standard of living, which is now possible for everyone.

I say to the government that it should realize this is a field in which the people of this country expect action. In another context, we have been talking about parliament and what people think about it. One does not need to repeat what has been said in another debate, in fact it would be out of order to do so. However I say to the minister, to the government and to this House of Commons that one way in which we can redeem ourselves in the eyes of the people of this country would be to take action on this important issue. I hope that tonight the Minister of National Health and Welfare can answer this question by saying that favourable consideration is being given, not to something that diverts attention, not to some other way of doing it, but that the government is considering taking action to raise the old age security pension to not less than $100 per month.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for Winnipeg North Centre (Mr. Knowles) for renewing the acquaintance we have had over the past several sessions in this general field of social policy. I congratulate him on his heightened and continued interest in this problem.

Mr. Knowles: I should like to be able to return the compliment.

Mr. MacEachen: I have not as many minutes as the hon. member had to deal with this question. I draw to his attention an address that I gave in early March in Regina in which I spent half of my time dealing with the various possible approaches to the problem of older people. It is, in a sense, a 1966 edition of the Regina manifesto, and I commend it to the hon. member for careful attention. It has all the sympathy, all the consideration and all the idealism that characterized the earlier edition of the Regina manifesto.

Seriously, however, the government is concerned. The government realizes that one of the groups in our society that will require continued support through public programs is, of course, our older citizens. As my hon. friend realizes, as the Canada Pension Plan comes into effect it will provide a decent level of retirement income for those who reach retirement age.

Mr. Knowles: Not until five or ten years from now.

Mr. MacEachen: There is a group that have not been able to contribute because they are now retired or who will not be able to contribute to earn the maximum pension.

This is the group, of course, that must occupy the attention of the government and of parliament itself. Of course, these people will be eligible for the flat rate pension of $75 per month. This is, clearly, not enough, will not be enough for them to live adequately and decently.

The question that must occupy the government is, which of several alternatives offers the most reasonable way of continued support for the older citizens of Canada. My hon. friend has come down squarely in favour of a flat rate increase of $25 per month. This has its attractions, but it has its disadvantages because it will help people who do not need this amount of money and it will not be enough for others. One of the factors to be considered is that it is a very costly expenditure in the field of income maintenance. At the moment, we are spending about a billion dollars per year on old age security. If we raised the pension to $100, then by 1970 the annual cost would be $2.1 billion.

There are competing demands on the resources of Canada in the field of medicare and in the field of pensions. These competing requirements must be considered. We are about to consider in the House of Commons the Canada assistance plan.

The Acting Speaker (Mr. Rinfret): I regret to interrupt the hon. minister, but the time allotted to him has expired.

Motion agreed to and the house adjourned at 10.27 p.m.

HOUSE OF COMMONS

Wednesday, May 4, 1966

The house met at 2.30 p.m.

[*Translation*]

VACANCY

Mr. Speaker: I have the honour to inform the house that I have received a communication advising me that a vacancy occurred in the representation, namely that of Mr. Clément Vincent, member for the electoral district of Nicolet-Yamaska, by way of resignation.

I have accordingly issued my warrant to the chief electoral officer to make out a writ of election for the said electoral district.

[*English*]

JUSTICE AND LEGAL AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. A. J. P. Cameron (High Park) moved that the first report of the standing committee on justice and legal affairs, presented to the house on April 26, be now concurred in.

• (2:40 p.m.)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to say a few words against the adoption of this motion. I am not suggesting that the time of the house should be taken up for long. I am not suggesting that the time of the house should be taken for a division; but it seems to me that we should look very carefully at what we will be doing if this motion is passed.

The proposal is that the committee of which the hon. member for High Park is chairman have its quorum reduced from 13 to 10 members. I do not blame the hon. member for making this request, but I suggest, Mr. Speaker, that this is a very superficial way in which to deal with the problem that seems to be facing us in the committee work of this House of Commons. No suggestion for the improvement of parliament has been more universally made than the suggestion that we should do more work in committees, and that we should improve our committee work.

The government at the last session of parliament gave some attention to this problem and brought in suggestions and proposals which, in effect, involved a complete reconstruction of our committee setup. Hon. members know that the names of committees were changed and that a number of other alterations were made. One of the alterations made was to increase relatively the size of the quorum. Under the old rules, under the provisions of standing order 65, the committees had various quorums. They ran at about 30 per cent of the total membership.

In the last session the government deliberately, after much forethought, asked this house to approve that from now on the committees would be smaller in size but would have a quorum of not less than 50 per cent of the membership. There is the provision in the standing orders for the quorum to be reduced under certain circumstances, but that was to be by way of exception.

I suggest that the government asked this house to take a deliberate decision that our committees should operate with a quorum of not less than a majority of the members. The government, in taking this step, in effect stated its view that we should do more work in our committees, and that the committees should do better work. This is a point of view that we all share, and I want to say that I share it too. I think parliament could be greatly improved if we were to upgrade the work done in our committees.

The fact is, Mr. Speaker, that the great reform that was brought in at the last session has not turned out to be such a tremendous reform after all. Committees are having difficulty in getting sufficient members to carry on. Generally speaking they are not making parliament work in the way we thought they would.

I think there are other things that ought to be done. I think the work of our committees should be upgraded by having some arrangement whereby they are encouraged to bring in reports, with the assurance that those reports will be considered in this house. I think we should make arrangements, as has been proposed, for committees to sit at times when the house does not sit so those committees can devote their full attention to their work.

It has been my experience on two or three occasions during the years I have been here

to be a member of committees which met while the house was not in session. The most recent example of that was a year or so ago, when the Canada Pension Plan committee met under those circumstances. I can say to the hon. member for High Park, who was the chairman of that committee—and he will confirm what I say—that we had no quorum difficulties with that committee. I am sure he will agree with me, as other hon. members would, that that was an excellent committee, and that it was able to do an excellent job.

My fear, from the way we are carrying on, is that our committees will work with reduced quorums. Letting our committees sit only when the house is sitting; making no arrangements for a time when they may occupy the centre of the stage; giving no guarantees that their reports are going to be considered on the floor of the House of Commons, all indicates one thing. It indicates that this experiment we thought we were making for a revised and improved committee structure has not worked out at all.

I believe this whole question of what we do with our committees is extremely important. I am not trying to say that the motion before us today is the most important motion that has ever been brought on the floor of the house. However, the way we handle our committees is extremely important. It is not good enough to say that committees cannot meet because they cannot get a quorum. As a matter of fact the committee in question, which I believe consists of 24 members, has on it 13 members representing the government side of the house. The government itself has sufficient members to provide a quorum. This is true of most of the committees.

This problem is not to be solved simply by saying that the committees can meet with fewer people present and still get their business done. This does not measure up to the great ideal of improving parliament by having a better committee structure, as was proposed last year. I hope we may hear, even if briefly, from the Prime Minister who brought in the rule changes last year, or from the leader of the house who piloted them through the Commons. This was part of the proposal; that committees should have fewer members, quorums consisting of a majority, and better opportunities to do good work.

There are a number of other suggestions which I might make in this regard, but I shall wait for another occasion to do so. I feel it would be a mistake for the house to pass this motion thinking it had thereby put these committees on a path which might lead somewhere. I urge the house to turn this motion down and to seek other ways of improving the work the committees are doing.

Mr. Grant Deachman (Vancouver Quadra): As the person responsible for the co-ordination of house committees during this parliament—

Some hon. Members: Oh, oh.

Mr. Grant Deachman (Vancouver Quadra): may be of interest to the house as it considers this motion. In the course of the current parliament 22 committees of the house have been formed. These committees have held 96 committee periods this year, periods lasting approximately one hour and a half. So to date about 144 hours of committee work have been carried out by members of the House of Commons.

Most of these committees are standing committees to which the estimates were referred on March 22 by the house leader. So, as will be seen, the bulk of the work has been accomplished since March 22. We must bear in mind that the Easter holiday intervened for a couple of weeks, with the result that the greater part of the 96 meetings which have been held and the 144 hours of committee work have been in a period lasting approximately three weeks.

I do not want any hon. member who has been serving diligently on committees to think for a moment that his efforts have failed. Indeed, I believe all members ought to congratulate themselves on the effective work they have been doing in attending these committees and operating the committee system.

With regard to the difficulty encountered in getting a quorum on some occasions, I note that on six occasions out of 96 a quorum was not obtained and committees fell on this question. On two of these occasions a very important debate was going on at the time in this chamber. Thus, in the period outside the hours when this house was sitting only four committees out of approximately 90 fell because a quorum could not be obtained. In the circumstances I believe hon. members can commend themselves for having sustained these committees in such a fashion.

There are in the House of Commons some 234 members who are eligible to attend committees. These 234 members certainly cannot be expected, with quorums fixed at 13, to

sustain 22 committees meeting and all attempting to get their work done. The size of committees is obviously too large, and should be reduced. The basic problem facing this house is that we are attempting to operate far too many committees with far too many members needed for a quorum.

• (2:50 p.m.)

We must face the question of a reduction in the size of committees, and of more efficient committees, in order to get that work done. With respect to the motion moved by the hon. member for High Park, I want to say that what is good for one committee surely is good for all committees, and we in the House of Commons should not be picking apart our committee procedure piecemeal. We should act in a concerted fashion to correct something which I believe is wrong in our committee procedure.

I would appeal to parliament today to take one more look at our committee procedure, and if it needs adjustment in the size of committees—and I believe it does—then we should move quickly to make that adjustment and increase the effectiveness of the procedure, without going to the trouble of having one committee, a second, and a third coming back to the house for a reduction in size and for permission to sit while the house is sitting.

If all 22 committees were to meet while the house was sitting the House of Commons would lose its own quorum. Therefore if committees are to meet when the house is sitting there must be an orderly scheduling program for them which could be, in fact would have to be, a matter of a proper arrangement in the house satisfactory to both sides. Therefore I believe this motion should not be passed today but that some means should be found to immediately look at this question of the size of committees and their efficiency in relation to the number of committees that must operate.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I rise to support the motion of the hon. member for High Park, and I do so for various reasons. The very fact that this committee system has been rearranged from what it was in former years, with two or more committees meeting at the same time and with two or more members expected to attend meetings of two committees, it is humanly impossible for this to be done. Therefore I say that the request to reduce the quorum from 13 to 10 is very reasonable in view of the fact that the quorum fixed for a meeting of this house, which has a membership of 265, is only 20.

In this case we have a committee of 24 and a set quorum of 13. It does not seem reasonable to have such a high quorum as 13, and I speak from some experience in this matter. I speak as chairman of one committee which had to adjourn on two occasions because of the lack of a quorum. On investigating the reason we found it was due to the fact that in one instance two members, and in the second four members, were on another committee which was meeting at the same time. They were torn between the two, not knowing which meeting they should attend.

My hon. friend suggests that we could get more work done through committees. I agree with him, but I suggest that if we had a quorum of 10 we could get more work done because committees could start on time. I think all chairmen of committees would agree with me that we have had to wait 15 minutes, 20 minutes and even half an hour to get a quorum, but if the quorum were reduced to 10 we could start on time.

In the case of the public accounts committee of which I am chairman we have a tremendous amount of work to complete. We have the 1964 report of the Auditor General. We also have his 1965 report before us, and we are most anxious to get on with the work. I feel that a quorum of 10 would assist greatly.

There are many legitimate reasons why members cannot be present at committee meetings. They may be serving on parliamentary delegations to international meetings. They may be sick. There are various reasons why they cannot attend, and I believe it would be a good idea if some provision could be made whereby in such cases they could name alternates to attend committees for them. However, I must stick to the point regarding the quorum and not go into that aspect of the question.

I think the house, recognizing the points I have put before it and the fact that other committee chairmen think the same way, should see fit to endorse the motion moved by the hon. member for High Park. I have a similar motion standing in my name; therefore it has been a privilege for me to speak on behalf of the hon. member's motion and also on my own behalf in this regard.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like very briefly to support the motion of the hon. member for High Park, and also

to support what has been said by the hon. member for Wellington South. This year parliament is operating under a new set of rules. We are trying them out, and apparently the hon. member for Winnipeg North Centre feels very badly that some of the rules which he helped to revise have not worked out perfectly. I am rather surprised at this, since the hon. member has been a member of this house for a long time—

Mr. Knowles: Mr. Speaker, is the hon. member not aware of the fact that this particular rule was brought in by the government; I had no hand in it at all.

Mr. Nesbitt: The hon. member says he had no hand in it. Perhaps he did not directly, but as we all are aware his advice may have been sought on the matter. What I am getting at is this. When we are trying out new things I think we have to be pragmatic about the matter.

In respect of one of the important committees of this house, of which I am vice chairman, we have found it very difficult indeed to get the required quorum for the very reasons which have been expressed by the other hon. members, such as other committees meeting at the same time and the like. I think I would agree with the hon. member for Vancouver Quadra that perhaps it may be necessary for the house to start considering reducing the quorum of all committees and other things. That is fine, but these things take time, as we know, and we may not get around to approving these things in this house for weeks.

The fact of the matter is that certain committees, the one which is chaired by the hon. member for High Park, the one chaired by the hon. member for Wellington South, and other committees—and I suspect the committee of which I am vice chairman may be making a similar request—have work to do which they want to get done. Everybody is complaining about parliament not getting down to its work. These committees want to get the work done which is before them. If they have to wait for quorums for the many reasons which have been set out, this delays their work and the work of the house.

If we wait until parliament gets around to revising the rules in respect of all committees, we may wait until doomsday. I would hope that the motion by the hon. member for High Park would be supported, and that similar motions in respect of other committees would be supported in the same way. If at a later date we wish to revise the general rules with regard to committees, that is fine, but in the meantime let us have the committees which have work to do, get to work.

• (3:00 p.m.)

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, after listening attentively to the arguments presented by the various members on all sides of the house, and attending some committees, I feel I may properly say that the problem of adequate attendance or quorum at the committees is real.

On the other hand, I noted that the government always has a majority of members on these committees. In some committees then, the lack of attendance is not often due to members of the opposition, but to the members of the party in power.

Some hon. Members: Oh, oh.

Mr. Langlois (Mégantic): I hear exclamations but it is a fact. I shall give an example among others.

At the committee on Broadcasting, Films and Assistance to the Arts quite a few were present, more than the total membership of 24. Nevertheless, there was no quorum for the simple reason that members of the opposition are restricted to a certain number who may sit on the committee. The members of the party in power were the absentees.

I am aware that some were in attendance at other committees. But before concurring in the reduction of the quorum I would ask that the whole policy of attendance on the committees be revised. It would do away with certain insinuations we heard during the last election campaign, namely that such and such a member never shows up in the committees. It became a political football and I should not like to have the same thing happen again in an election campaign.

A few moments ago a government member requested that the quorum of the committees be reduced. Before accepting such a proposition I would call for a full revision of the committees policy, with a view to determining whether there should not be less members on the committees or better representation of the various parties. It seems to me this should be considered.

This also proves that perhaps it would be better to adjourn the house for a week so as to allow the committees to do their work.

It has always been recognized that a human being cannot be present in two different places at the same time, and fulfil a double duty.

For my part, I am strongly opposed to a reduced quorum on the committees.

Mr. Alexis Caron (Hull): Mr. Speaker, I listened attentively to the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Vancouver Quadra (Mr. Deachman).

It seems to me that something is lacking. I am told several members sit on two or three committees at the same time. I know some who are members of two or three committees but do not attend any of the meetings.

I feel that the committees are made up of too many members. As the member for Vancouver Quadra said, the number of members as well as the quorum should be reduced. I am hoping for a general rule, and not a rule providing for exceptions applying to some particular committee or other. I do not like rules of exception and have never liked them. We are occasionally forced to tolerate them, but where rules of exception are concerned, you never know where you stand.

It might be a good idea for the leader of the government to come to an understanding with the leaders of the other parties in order to reduce the committee membership. Moreover, before we appoint someone to a committee, we should ask him whether he has any intention of attending; if not, he should not be appointed. Those who do not have time to sit on the committees should not be appointed; they should be left aside.

This is the reason why I ask for a much greater caution on our part. We appoint committee members right and left. We appoint Mr. So-and-so without telling him; when the time comes to sit on the committee, the whip is informed that the gentleman in question is not interested and that he wants to be replaced by Mr. So-and-so. We replace him by Mr. So-and-so who is not anymore interested than the previous one.

If the membership of our committees did not exceed 20, with a quorum of ten or eight, they might operate normally. This is why I ask the leader of the government to get in touch at once with the leaders of other parties and that the request made by the hon. member for High Park (Mr. Cameron), be denied.

[*English*]

Mr. Lawrence E. Kindt (Macleod): There are just one or two matters in respect of the committees of this house that I should like to bring to the attention of this chamber. There is more wrong with committee operations than those problems relating to quorums. I suggest there is a basic problem relating to the organization of committee meetings. These committees apparently have been set up for some reason of which I am not aware. They have no responsibility, but operate for the purpose of keeping backbenchers quiet, happy and perhaps satisfied.

The second point I wish to make relates to the difficulties of committees obtaining quorums. The Minister of Transport (Mr. Pickersgill) may laugh, but he will laugh from the other side of his mouth before I finish speaking. He seems to be subject to fits of laughter, perhaps because he was the author of this motion. I hope he will have something to say about it, because I think he was working with those who were considering the matters in question.

Mr. Pickersgill: I deny the paternity.

Mr. Kindt: Many of the matters discussed at committee meetings are rehashed in this house. For that reason the committees have no authority or responsibility and the members have no incentive to attend their meetings. I believe our committees are absolutely useless, and until the government of this country which is responsible—and I include the minister who is laughing—gets down to brass tacks and establishes these committees with some responsibility and purpose, they will not function as they should or serve the purpose which they are intended to serve.

It is my belief that our parliamentary committees could be as useful a part of parliament as committees are in other places, including the United Kingdom and the United States congress. In Canada our committee system, as I have said, is useless.

There is one other aspect of this matter I should like to mention. Someone should be appointed to schedule the meetings of these committees so that a member who wishes to attend a committee meeting will not find himself faced with the necessity of making a decision as to which of three or four committees he shall attend because several are sitting at the same time. Obviously such a member cannot help to form quorums on three committees which sit simultaneously. I mention this fact to indicate why I believe there is no organization behind committee meetings. This organization, or lack thereof, and the responsibility for it rests squarely on the shoulders of those hon. members who

occupy the front benches on the government side of this house.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I find myself compelled to support the mild arguments of the last speaker, because the responsibility to which he refers in my opinion does fall squarely upon the shoulders of the government. In support of this argument I should like to quote from the statement the Prime Minister made yesterday. He said, as reported at page 4626 of *Hansard*:

> One of these pressures is our ability to get things done, to adapt our procedures to the requirements, and the struggle in this regard is often referred to as a deterioration of parliamentary action—

I think Your Honour is well aware that the committee on procedure, which was set up last year, brought in a series of recommendations after a great deal of hard and zealous effort. One of the recommendations of this committee—and it seems to me this should be perfectly obvious to anyone who has examined the situation—related to the fact that often 24 or 25 committees were suddenly handed a large amount of work with terms of reference requiring them to complete their tasks as quickly as possible. A proposal was made to cover this situation. It is perfectly obvious at this time, under the conditions which now exist, that we are not going to be able to perform the detailed work that has been set out for us. I think everyone will agree that something less than perfection exists in this parliament.

With those facts in mind I think the government fell short of accepting its responsibility when it rejected many of the recommendations of the special committee on procedure as to how these committees should operate under conditions which now exist. The committees are short of personnel, short of adequately equipped rooms with simultaneous translation facilities and short of trained staff. In terms of logistics it is impossible for all these committees to operate efficiently.

While the government has implemented certain procedures along the lines of suggestions made by the committee on procedure, I should like to point out that at this time committee hearings have only just started. Very shortly the estimates of the current fiscal year will be considered by eight or ten committees, which at this time have inadequate facilities with which to operate efficiently. Surely it is incumbent upon this government, if we are going to overcome the present crisis, to immediately direct its attention and energy to these difficulties. It is the government's responsibility to solve these problems, and for that reason I support the motion.

• (3:10 p.m.)

I should like to make one further suggestion which should be borne in mind when we are dealing with the committee problems relating to their ability to obtain quorums. These are not decision making committees. They are examining committees, the decisions are interlocutory in nature, and the decisions and recommendations they make come back to this house for final decision. I think no great harm is done by reducing the quorum to a number adequate to conduct the examinations which need to be conducted for the purpose for which the committees are established. Whether we have eight or 12 members I submit is immaterial, because decisions made in the committees have to be reconfirmed in this house.

I think it is positively scandalous to have prevailing the situations which have prevailed in the past, when civil servants with important jobs to do are called before a committee, compelled to wait a long period of time, and then are called back again if no quorum is established, sometimes the next day, to the detriment of their own work. I think what is suggested now is only an ad hoc solution, but I believe we should agree to it. In the meantime I hope the government will direct its attention to this problem and come up with some alternatives.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, shortly after the opening of this session of parliament the house adopted, on a trial basis for the duration of this session, a series of amendments to the rules of procedure. Included in those amendments was a revision of the committee structure.

Following the adoption of the revised committee structure the government referred a great deal more work to committees than has been usual. I think it was said in the house at the time the rules were adopted that the reason for their adoption on a trial basis only was to get experience with them, knowing full well that there may be a requirement for amending them before their adoption on a permanent basis.

These new rules may well be a major breakthrough in bringing the practices of this house in line with the demands that modern

times make on parliament. Today we have a motion before us by the chairman of the standing committee on justice and legal affairs, and a similar motion by the chairman of the public accounts committee, asking to reduce the committee quorum in a very modest way. An examination of the orders of the day will show the important work that has been referred to the justice committee. It does not appear so clearly in the standing orders, but anyone who follows the references to the public accounts committee will agree on the importance of the work of that committee.

These two committees are chaired by hon. members of this house who have had long experience in committee work and who are also well experienced in parliamentary work. They have come before us today making this request for a reduction in the quorum. While I hope other committees will not generally adopt the practice at this stage of asking for a reduction in quorum, because I have grave doubts whether that is the remedy for the problem, I am not surprised that the problem has arisen; because it was foreseen, at the time the amendments were made to the standing orders in respect of committees, that there would be difficulties; and there will be many more difficulties, I suspect, before the session is ended.

I would ask the house to go along with the committee structure and the new rules for the duration of the session, until we can see whether they are good or bad or what adaptation should be made to them. While I express the hope that other committees will not be prone to come too readily to the house asking for the right to reduce their quorum, I would hope that the motions respecting these two committees could be concurred in and their recommendations adopted without prejudice to any position we may wish to take later on the subject generally, or on later applications for concurrence in similar types of motions.

I want to raise one other point that is concerning me a bit. This is the last day, by statute, for considering the redistribution motions. I would hope, in light of this, that we do not unduly cut down the time for discussion of the remaining objections with regard to redistribution, and either agree to deal with these motions on a voice vote and get on with the other business or, if there is very strong objection to that, stand the debate over until another day so we will not be cutting down on the time for the discussion of the redistribution motion.

Mr. Churchill: In other words, give Manitoba a chance.

Mr. McIlraith: That is right.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I must say that having listened to the Minister of Public Works I think there will be general agreement with the argument he has advanced. I have on more than one occasion—and this is an opportunity to raise this matter again—expressed the view that if we wish to restore parliament so the people will understand its operations, one means to bring that about would be through broadcasts or television representation of parliament from day to day. I can tell you, sir, that if this practice were adopted in committees as an experiment there would be no difficulty about having a full quorum in committees at all times.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: This is a matter that later on I intend to deal with at length, but at this time I say that if the committees could agree that when they are dealing with matters of general interest representatives of the C.B.C. and private stations might be present to broadcast the actual performance in those committees, there would be benefit to the people as a whole and to parliament; for there is nothing more condemnatory of parliament than from day to day having recorded in the press that committees have been convened which, in the words of the hon. member for Macleod (Mr. Kindt), were unable to carry on because of the absence of members. This builds among the people of Canada the concept that there is dereliction on the part of members of parliament.

When I mention broadcasting of committees by way of experiment, I do so on the basis of considerations that have arisen in the last few years which in my opinion make it necessary that this whole question be considered by a committee of parliament. We broadcast on television the opening of the Canadian parliament in 1957. It was an experiment. That practice has been followed ever since. The United Kingdom tried it this year and found it of such benefit that at the present time very wide consideration is being given to continuing it in order to bring about something that we all wish, namely a closer relationship between the people and parliament. To this end they are considering having the proceedings in the British House of

Commons broadcast on television and placed before the people.

I suggest that if we are really serious about this matter we will never have any concern, Mr. Speaker, that if the quorum is 20 there will not be 20 members present. I suggest there will always be a quorum if this course is followed by way of experiment. It would be one way in which one could find out the reaction of the people, for certainly today in the British press and on every side consideration is being given to this procedure as one means of bringing about a stronger relationship between the people and the parliament of the country.

• (3:20 p.m.)

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, in raising this matter the hon. member for Winnipeg North Centre said he would not say this was the most important motion ever to come before this house, but it certainly has generated quite a debate. I should like to make this suggestion. In view of the fact that we have seemingly reached the point where there is agreement on the matter, perhaps a reappraisal could be made of the committee structure or the membership of committees to ascertain if members are absent because they are not interested in that particular committee, if they are away because they are attending another committee, or absent because of other responsibilities in their constituencies or other government business.

It seems to me these three reasons would cover all absentees. If a member is absent because he is not interested in a particular issue before the committee, then he should be replaced. Before we go ahead with the motion to reduce the quorum of the committee we should take another look at the membership to ascertain why members are not in attendance.

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, there are complaints that members are absent from the committee sittings and, on the other hand, we are talking about reducing or maintaining the quorum. I should like to point out that the present uneasiness, in a certain sense, goes much further back.

When the committees are formed at the beginning of the session, I think more attention should be paid to the talents, the wishes and the qualifications of members. I make the point today, without any malice whatever, simply to state my position on this matter.

[Mr. Diefenbaker.]

In my case, for instance, at the beginning of the session I called on you to express my earnest desire to sit on the justice and legal affairs committee and on the committee on broadcasting, films and assistance to the arts—in the case of the first named committee, as a lawyer and independent member. We know that it is helpful to have on the committee a member who can serve as buffer between the accusers and the accused, in the case of the second named committee, for having been on 35 televised broadcasts and for being interested in the matter.

You referred me to the member for Chambly-Rouville (Mr. Pilon). For the last three months he has been telling me that "next week," I shall be transferred to these committees. I have been put on the committee for northern affairs and national resources. I am not interested in northern affairs, nor are my electors.

If more notice were taken of the wishes, the requests and the qualifications of members, well, more members would be in attendance at the sittings of the committees. That is why I am not present at the sittings of the committee on northern affairs and national resources and of the committee on the library, and I am waiting to be transferred to the committees I have asked to sit on.

[*English*]

Mr. Speaker: Is the house ready for the question? Shall the motion be adopted?

Mr. Knowles: On division.

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

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. I declare the motion carried on division.

Motion agreed to on division.

PUBLIC ACCOUNTS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. A. D. Hales (Wellington South) moved:

That the first report of the standing committee on public accounts, presented to the house on Wednesday, April 27, 1966, be now concurred in.

Mr. Speaker: Shall the motion carry?

Mr. Knowles: On division, Mr. Speaker.

Motion agreed to on division.

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. A. D. Hales (Wellington South) moved:

That the second report of the standing committee on public accounts, presented to the house on Wednesday, April 27, 1966, be now concurred in.

Mr. Arnold Peters (Timiskaming): This is a slightly different motion, and the arguments that can be advanced are different from those advanced for the reduction of the quorum. I had hoped the government house leader would ask that this motion be allowed to stand until some discussion could take place amongst the parties as to the extension of sittings. The problem we have in committees cannot really be solved so long as estimates are referred to these committees.

When the members agreed to the change in the rule they were of the opinion that there was going to be a discussion of estimates in these committees, and that this discussion would eliminate some of the debates which took place in the house. In return for this many members agreed to a limitation of the debate on estimates in the house. Now we are hearing a plea for a reduction in the quorums of these committees, but they will not work any better if you reduce the quorum from 15 to 10 or to 5. Eventually we will get to the position where a committee can hold a meeting if only the chairman is present. This will not solve the problem and will not satisfy the country.

There has been a suggestion from the member who is co-ordinating these committees that members who are not on these committees be established as second class members of the committee. If every other member of the committee has completed his discussion, these second class members will be allowed to ask their questions.

In my opinion all this is contrary to what we are trying to do. I feel it is a fact that we are trying to operate more committees than we can legitimately operate. We have increased the space available for these committees; we have provided the facilities to allow them to operate. However, we just do not have enough people. It seems to me that if the Prime Minister is really interested in substituting committee consideration of estimates for consideration in the house, then those members who are interested in matters before the committees should be allowed to participate in the discussion even though they are not members of the committee.

Then, too, the committees have got to be operated in such a way that a member will not find he has to be in three places at the same time, and therefore is not in a position to do the job he is supposed to do. One morning I was supposed to be at three committee meetings. I thought about this for several minutes and finally came to the conclusion it was not worth while making up my mind which one I should attend, so I did not go to any of them. I think this must be true of other members.

There is something else that has to be taken into consideration. There is this bilingual aspect of parliament in which most people are interested, but no consideration has been given to that. There are 35 members of the house who meet to study French for two hour periods when committees are meeting. There are seven or eight members who are studying English at this time. This further decreases the number of members free to attend committee meetings. If we are not really willing to face these facts then we can reduce the quorums, we can sit when the house is sitting, but we will not have solved the basic problem. If we are going to use the majority in this house to insist that things run smoothly on the surface, then we will create a situation that will blow sky high before very long.

• (3:30 p.m.)

I think the house leader is well aware of the problem with which he is now faced and of our inability to solve it. On many occasions in this house recently the attendance has dropped to as low as 15 to 17 members, but no one has brought it to the attention of Your Honour for the simple reason that we are trying to get things done. I suggest that the situation will only deteriorate further if the quorum of this committee is reduced, quite apart from the quorums of other committees handling very important business which will wish to sit while the house is sitting.

I have not objected to this being done on a temporary basis. When some very important matter is put before a committee it has the right to make this request and have it granted on such an occasion. But to give blanket approval to such a situation would mean that not only would ten members of the public accounts committee be withdrawn from the house any time the committee wanted to meet, but possibly members of all the committees could be withdrawn if the occasion

demanded, leaving perhaps no members to attend in this chamber at all, and an unhappy situation would develop.

I will not oppose this request any further Mr. Speaker, but as I say I think the situation will deteriorate very rapidly. I am sure the public will soon become aware of the fact that we have been creating new rules without really paying continuous attention to the problems which have developed. It seems to me that under these new rules we are putting ourselves into a worse position than we were under the old rules. So while I am opposed to this step, we must be prepared to put ourselves in the position of restricting ourselves further without once again changing the whole committee structure. But I warn hon. members to be cautious about such changes as these which are not made on an over-all basis. We should take the initiative right away of sitting down in our business committee and making over-all plans which are of much more advantage to members of parliament and to the country as well as to the new committee system, which I say should be given a fair chance to succeed. It is not now being given that fair chance.

[*Translation*]

Mr. Alexis Caron (Hull): Mr. Speaker, on this matter, I must say that I was probably the first to object to committees meeting while the house is sitting. This evil has existed for a long time. We objected to it while we were in opposition and I remember that, at the time, the present ministers were with us and objected to the committees meeting while the house was sitting, because we could not properly serve two masters, namely the committees and the house.

According to the division yesterday, 239 members voted. If we had thirteen members for each sitting committee, this would call for a total of 299 members. Thus, with 236 or 239 members, there would not be enough. If the number of members per committee is reduced to 10, the total is brought down to 230. Subtract from this figure the number of ministers who are not members of the committees but whose names only appear, and we would not have enough members to sit in the house.

I have suggested before that Wednesdays be reserved for committee meetings, so that the committees may sit sensibly. But we are asked that the house permit committees to meet while the house is sitting. I submit we should not allow it. If a committee has special reasons, witnesses to be heard, in short if it is convenient, permission may be granted. Any committee can always ask permission to sit.

The other way I feel it is asking too much. For these reasons, I object, unless permission is asked to sit.

The other day it was requested that a committee be permitted to meet during the sittings of the house. It met once and has not met for the rest of the week. Permission had been asked to meet while the house was sitting.

Today, we are in a bad position. The government should seek to improve the situation, not by changing the rules but by designing acceptable rules. If time is needed for the committees to meet, let the house adjourn. We surely cannot sit at the same time on the committees and in the house. It is a physical impossibility.

To this end, I shall ask for a vote and then I shall be through speaking on the question.

[*English*]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I was keenly interested in the motion moved by the hon. member for High Park and the motion which followed, moved by the chairman of the public accounts committee. I did not speak on either. The motions were carried on division and are now orders of the house. However, in view of the discussion which is now taking place on the second report of the standing committee on public accounts I feel I must say a few words.

In the 13 years that I have had the honour of sitting in this chamber as a member of the House of Commons, Mr. Speaker, I have always firmly opposed any reduction in the quorum of a committee below the accepted figure, and any suggestion that the committee should sit while the house is sitting.

Mr. Speaker: Order, please. I hope I have not risen for nothing, but I should like to take the liberty of reminding the hon. member that the first motion has now been carried, and his remarks should be limited to the subject matter of the second motion.

Mr. Winch: Mr. Speaker, I should have thought, in view of the position I have taken in this House of Commons for 13 years, I could be allowed to say two sentences without being called to order by Your Honour. What is now before us is the question of the right of the public accounts committee to sit

while the house is in session, which involves a principle I have opposed for 13 years. However, Mr. Speaker, today out of necessity I support it, in view of the requirement that certain work referred by the House of Commons to the public accounts committee should be completed.

The Auditor General of Canada is not responsible to the government; he is responsible to the House of Commons. He files his reports with the House of Commons. The House of Commons does not deal with the reports of the Auditor General but refers them to the public accounts committee. At this session of parliament the House of Commons has referred to the public accounts committee the Auditor General's report for the fiscal year ending 1964, which contains 184 matters which the Auditor General thought the House of Commons should know about. The House of Commons has referred to the public accounts committee the report of the Auditor General for the fiscal year ending March 31, 1965, which contains 263 matters which should be considered by the House of Commons and the public accounts committee.

• (3:40 p.m.)

So there are now before the public accounts committee a total of 447 recommendations or matters of concern to us. Sir, in considering this, let me say that a decision has already been made by the public accounts committee to call witnesses from across Canada. It will be calling witnesses, not just the 10 or 12 in Ottawa, but from the crown corporations and from as far away as Halifax.

I say, sir, that even with a reduction in quorum to 10 members it is still absolutely essential that we bring in witnesses from across Canada to appear before this committee, under our order, or under our subpoena. In carrying on with the work of the committee, we must give reasonable consideration to the fact that these men and women will be called before us from across Canada. We cannot day by day decide that we should come to the House of Commons and ask for special permission to sit on the day we request permission, or the next day. I say, sir, that the public accounts committee should have the general authority to sit while the house is sitting, which I assure you, sir, will only be exercised under some extreme emergency.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I have only a few remarks to make concerning the report presented by the chairman of the standing committee on public accounts.

In my opinion, the leaders of the various parties should consider the advisability of reducing the number of standing committees rather than the membership of those committees or the quorum required to allow them to sit.

It seems to me the various departments should be more concentrated and that fewer committees should be established in order to enable members of the house to attend their sittings. I cannot see any other solution at present. Even though the quorum or the membership of every committee were reduced, it would not provide a final solution, whereas decreasing the number of committees would enable the members interested in those committees to attend their meetings when the house is not sitting. I feel that it would then make the work of the house and of the committees much easier, because at the present time committees are unable to get the required quorum.

[*English*]

Mr. Hales: Mr. Speaker, I think we should agree to bring this debate to a close. We have spent considerable time on it.

Mr. Speaker: Order, please. The hon. member needs the consent of the house to speak now because this is not a substantive motion, and he does not have the right of reply. However, in view of the fact that the hon. member has not availed himself of the opportunity to make a statement, I am sure the house will not mind his saying a few words at this time.

Some hon. Members: Agreed.

Mr. Hales: Mr. Speaker, I shall be very brief. All points, I think, have been well covered. The standing committee on public accounts is asking for permission of the house to sit while the house is in session. There are three points which ought to be mentioned. The first is the terrific work load that is before the committee. The second is the fact that we have witnesses to call from all parts of the country, and accordingly we have to plan our meetings as far as one month or even more in advance. Third, as time has gone on we have been given a tremendous work load and we must get down to work.

That is why the standing committee asks for permission of the house, and I hope the house will see fit to give that permission to this committee regardless of what may be the feeling with respect to the other committees.

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

Some hon. Members: Agreed.

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

Some hon. Members: Carried.

Some hon. Members: No.

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

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. I declare the motion carried on division.

Motion agreed to on division.

PRIVILEGE

MR. NUGENT—ALLEGED CHANGE IN OFFICIAL REPORT OF DEBATES

Mr. Terence Nugent (Edmonton-Strathcona): Mr. Speaker, I wish to refer to a question of privilege affecting all hon. members in this house. It has to do with the transcript of the record of debates in this house for yesterday, and with what I believe to be an unwarranted change which has been made in that record by someone.

I am referring to some of the remarks made by the Prime Minister in this house, as reported in the Toronto *Globe and Mail* for Wednesday, May 4, and as reported in the Ottawa *Journal* for the same date. Two words appear to have been deleted, for some reason or other, from the record. I do not think the words which have been deleted change the sense of what was said. The sentence quoted means the same whether or not the missing words are included in it. The important point is, what does this house allow by way of interference with the record as it is taken down by the shorthand reporters? Certainly I think we all agree that an hon. member, in order to make sense of ambiguous statements, may change some words as taken down by the reporter, for the sake of clarity.

[Mr. Hales.]

I do not think that is the case here. The words in question that I refer to are a part of the Prime Minister's statement referring to the testimony of Commissioner McClellan. The Ottawa *Journal*, on page 17, says:

> I was looking for that kind of scandal in relation to members of parliament with government departments and their intervention on behalf of dubious elements.

In Hansard, page 4632, the words "of scandal" have been deleted. In the *Globe and Mail* version of the same story the same words appear. I will read the paragraph, if I may, to make clear what I mean:

> If he was talking about scandal in the sense of the Rivard scandal—and at that time the word scandal was being tossed about in this house without any reference except to political scandal—if the commissioner was referring to that kind of scandal, I was looking for that kind of scandal in relation to members of parliament with government departments and their intervention on behalf of dubious elements.

At page 4632 of *Hansard*, part way down the right hand column appear the words:

> —if the commissioner was referring to that kind of scandal I was looking for that kind in relation—

And the words "of scandal" have been deleted in the *Hansard* record.

Some hon. Members: Oh, oh.

Mr. Nugent: The point is simple, Mr. Speaker. The meaning is approximately the same whether or not the missing words are in the sentence or not.

An hon. Member: Sit down.

Mr. Nugent: There is no reason why a person should claim the right to go to the *Hansard* office, save for the purposes of accuracy to make sense of what he has said. There is no right to interfere with the record. What has been done establishes a precedent, Mr. Speaker, whereby hon. members have the right to go to the *Hansard* office to see if they can improve the language of their speeches. Perhaps something looks better if it is put in a certain way. If certain words are repeated too often, is the aesthetic sense of what has been said affected? I do not think the members of this house have ever pretended that anyone has the right to so varnish his speech.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, here we have had the extraordinary spectacle of the house being asked, on a question of privilege, to take newspaper accounts of what was said rather than the official record of *Hansard*. There is

no suggestion, obviously, that any change was made by anyone in *Hansard* since the meaning, as must be apparent to all who listened, is identical in both usages.

Surely this house cannot be asked to take the newspaper record as the official record instead of the record of *Hansard*. A point could be made if it were suggested that there had been some change in the meaning, but surely the staff of this house are not to be charged with having acted improperly on the strength of a newspaper report of the text of what was said here, when they are the professional and trusted writers in the house, as against the other writers who have to make their notes as best they can. It is quite clear from the two records that the meaning is identical; there is no change in meaning.

Mr. Speaker: Order, please. I suggest to the hon. member that to my mind there is no prima facie question of privilege here. The hon. member may have had a point of order on the general question whether hon. members should correct or have the right to correct in some way the "blues" or the draft of the take which is sent to their offices. It is my understanding that this right has been recognized for a long time, even to the extent that there is a reference to it on the back page of our daily *Hansards*.

In the circumstances I suggest to the hon. member that there is no question of privilege here and that we should not debate this matter further.

Mr. Nugent: What the Minister of Public Works said with respect to the transcript—

Some hon. Members: Order.

NATIONAL GALLERY

ANNOUNCEMENT OF APPOINTMENT OF DIRECTOR

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I am pleased to inform the house that the Civil Service Commission has approved the appointment of Dr. Jean Sutherland Boggs as director of the National Gallery of Canada. Her appointment also has the unanimous support of the board of trustees of the gallery.

Miss Boggs, now Steinberg professor of art at Washington University in St. Louis, will take up her new appointment on June 1. Dr. Boggs, who is a Canadian, is a graduate of the University of Toronto in fine art and of Radcliffe College at Harvard University, where she obtained her doctorate. From 1948 to 1962 she was employed as an assistant and associate professor of art at three institutions in the United States.

In 1962 Miss Boggs was appointed curator of the Art Gallery of Toronto. In 1964 she left Toronto to take up the Steinberg professorship at Washington University, the first to be established on this continent for the study of modern art.

I think all Canadians interested in the development of the gallery and the furtherance of our cultural life in general will be pleased at the appointment of a Canadian of such national and international stature. For my own part I need hardly add that I am particularly happy to see a woman filling such a senior position among our cultural agencies. She is, in fact, the first woman in Canadian history to head an agency with the status of deputy minister.

• (3:50 p.m.)

[*Later:*]

Mr. R. Gordon L. Fairweather (Royal): Because the hon. member for Edmonton-Strathcona spoke of aesthetic considerations, I have the obligation to reply on behalf of the official opposition to the minister's interesting announcement about the appointment of a director of the National Gallery. I thank the hon. lady for providing a copy of the announcement.

I think we need to remind ourselves of the important role which the National Gallery could and should play in the cultural life of this nation. I suggest we should ensure that the gallery has an adequate budget. I suggest further that public people—and by that I mean members of parliament—should not interfere with the selection of its acquisitions.

One recalls that the gallery and its staff have been the subject of some angry differences of opinion over the years, a situation which to my mind has not done any good to the public image of the gallery. I hope we can be assured that the trustees were fully consulted and that several nominations were considered by them before this appointment was announced. I hope also that the senior staff of the gallery were not overlooked when the selection was under discussion.

In the course of her press release the minister said she would introduce new legislation. I would point out that the position of director has been vacant for almost a year, and to me it seems a pity that during this time the minister was without the benefit of

the knowledge which obviously the new director could bring to this situation.

Mr. R. W. Prittie (Burnaby-Richmond): I have a brief comment on the same subject. The position of director of the National Gallery has been vacant since last July. There is nothing wrong with that; it takes time to find the right person for such a position, a person with good academic qualifications as well as the administrative gifts necessary for the running of a large organization.

Dr. Boggs appears to be very well qualified academically, and the fact that for four years she was curator of the Toronto Art Gallery does demonstrate her administrative ability. I have looked over the curriculum vitae. The new director has an impressive list of publications to her credit. It was interesting to hear the minister say that she is the first lady to be appointed to a federal position in Canada carrying a status equivalent to that of a deputy minister. Perhaps we shall see more of such appointments in the future. We welcome the appointment of Dr. Boggs. She seems to be well qualified to undertake the large task which is to be done at the gallery.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish personally and on behalf of my group to congratulate Miss Boggs on her appointment as director of the National Gallery of Canada.

According to the information given by the hon. minister, Miss Boggs is fully qualified for this position.

Now, I should like to know whether, in appointing Miss Boggs, the Civil Service Commission and the Board of Directors of the National Gallery also considered the bicultural character of our country.

The National Gallery of Canada is not meant only for a small part of the country but for the whole of Canada. This is very important, since the right hon. Prime Minister (Mr. Pearson) has been saying for some years that we should always take into account the bicultural character of our country. Is the new director perfectly bilingual? Does she speak French as fluently as English? It would be worthwhile to give the house this information when such an appointment is made.

Did the Civil Service Commission take this into account? There is no doubt whatsoever that Miss Boggs is fully qualified, but what if there were others, equally qualified but bilingual? On the other hand, if Miss Boggs is bilingual, I should like to be the first to congratulate her and to support her appointment to a position on the same level as that of deputy minister.

Mr. Speaker, these are the few comments I wished to make on the occasion of this appointment by the Civil Service Commission announced by the hon. Secretary of State (Miss LaMarsh). It would be important and interesting to know whether the bicultural character of Canada was considered before this appointment was made. I should like the hon. minister to give us information on this subject.

[*English*]

Mr. Howard Johnston (Okanagan-Revelstoke): The hon. minister will have noticed that the comments on her statement were delayed; that once more art in Canada had to give way to politics.

An hon. Member: Explain.

Mr. Johnston: I do not think any explanation is necessary. With regard to the hon. lady's announcement I should like to say this. Bearing in mind that the greatest single genius produced in the ranks of Canadian artists—I am speaking of the visual arts—may well have been Emily Carr of British Columbia, we join in welcoming the announcement that Dr. Jean Sutherland Boggs has been appointed director of the National Gallery. We will expect that under her direction the National Gallery will break new ground, as does her appointment. We also hope that her tenure will not be shortened by the hesitancy and delay which have characterized this government in its approach to necessary legislation, or by its failure to provide the gallery and its director with an adequate budget.

DOMINION-PROVINCIAL CONFERENCE

TABLING OF CORRESPONDENCE WITH PROVINCES

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): I wish to ask leave of the house to table the correspondence exchanged with the provinces respecting the forthcoming federal-provincial conference.

Some hon. Members: Agreed.

Mr. Erik Nielsen (Yukon): Does this correspondence include the letters written by the

governments of the various provinces with respect to the setting up of a royal commission on crime which has been the subject of an exchange between the Prime Minister and myself?

Mr. Matheson: It does not.

• (4:00 p.m.)

Mr. Nielsen: Would there be any objection to tabling that exchange?

Mr. Matheson: That is a different subject.

Mr. Speaker: Does the parliamentary secretary have leave to table the said correspondence?

Some hon. Members: Agreed.

Mr. Speaker: The Minister of Trade and Commerce.

Mr. Nielsen: Well, before that passes, I think all hon. members must give their consent.

Mr. Pickersgill: It was given.

Mr. Nielsen: It was not given at all. The subject which was the exchange between the Prime Minister and the members on this side recalls that he did give the house his assurance—

Mr. Speaker: Order. There should be no debate. There is either consent or not. Is there consent to the tabling of this correspondence?

Some hon. Members: Agreed.

Mr. Nielsen: I understood there was going to be included that exchange with the Prime Minister.

Mr. Speaker: Order. The hon. member knows that under the rules there can be no debate on a request of this kind. The hon. member, however, has every right to object to the tabling of the correspondence if he wishes to do that. Is there agreement?

Some hon. Members: Agreed.

GRAIN

WHEAT—PROTOCOL EXTENDING OPERATION OF INTERNATIONAL AGREEMENT

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I should like to advise hon. members that on April 28 our chargé d'affaires in Washington signed, on behalf of the government of Canada, a protocol extending the current international wheat agreement, without amendment, for a further year to July 31, 1967. The International Wheat Council agreed at its session last November to recommend to member governments the second one year extension of the agreement in view of the continuing negotiations in the Kennedy round for comprehensive arrangements covering cereals generally.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker—

Mr. Speaker: Order please. It is difficult for the Chair to determine whether the minister was merely making a statement. If he made a statement, then spokesmen for parties in opposition have a right, according to our rules, to make comments. I could not follow the minister's words too clearly and I am just wondering whether he was simply tabling documents or making a statement.

Mr. Winters: Mr. Speaker, I was just informing the house of the signing of a protocol.

Mr. Hamilton: Mr. Speaker, the announcement by the minister may sound a very routine one but I would like to point out to the house that it affects the movement of over 2 billion bushels of wheat, worth between $3 billion and $4 billion in world trade, into world markets. It affects the livelihood of hundreds of thousands of producers in Australia, Canada, the United States, Argentina and France.

This is the second time we have extended this international wheat agreement and I would like to point out very clearly that, for two or three very good reasons, the time has come not to give any more extensions. At the meeting in November, 1961 the United States held up the signing of the international wheat agreement for many weeks, and it was only with the strong support of all other producing nations, coupled with the support of farm organizations in the United States, that we were able to get the United States government to agree to increase the floor and ceiling price by 12½ cents at that time.

The agreement came up for renewal two years ago, and instead of renewing it, as it should have been done for a three year period, it was agreed each time since to extend it for one year. The prices of the things the farmers must purchase in Australia, Argentina, the United States, France

and Canada are rising steadily and the purpose of this agreement is to stabilize prices and provide some fair relationship between the cost of production and the price the producers receive.

The excuse given is that we are waiting for action by the cereals division of the GATT negotiations in Geneva, but if we have to wait for it to agree on an over-all cereals program for all cereals in the world we will be waiting for many years before we get back to our international wheat agreement.

I would very strongly suggest to the new Minister of Trade and Commerce (Mr. Winters) that the time is now ripe to make a concerted approach to the United States government, and to ask for two things in exchange for a third. The two things we should ask for are that in the renewal of the old agreement there be no price wars like we had to endure in 1962 and in 1965. This type of agreement would be supported by the Argentine, I believe by France, I know for sure by Australia, I know Canada would support it, and I think the Americans would too if approached at this time. Before I continue I think I should point out that this agreement was agreed to in 1957 by the heads of states. It is not a matter for wheat boards.

The second thing we should ask for, because the time is ripe, is that the international wheat committee be brought together this fall, in November, and that the floor and ceiling prices both be raised a minimum of 20 cents. In this move we would have the support of the Argentinians, the Australians, the Canadian Wheat Board, as well as farm organizations in the United States. I think this time we could get the support of the United States government because last February 10 President Johnson announced to the United States nation that the old philosophy of the wheat policies of the United States government was changing from one of getting rid of surpluses to one of calling on producers in the United States and all over the world to grow all they could to feed the people of the world. His speech of February 10 was taken to the United States Congress by his Secretary of Agriculture, Mr. Freeman, and has since been repeated throughout the United States in various forms by various members of the administration.

If they want to carry the appeal of President Johnson to all the producers of the world to meet world needs, because we are very short of cereals—and the United States is asking Canada and Australia specifically to contribute a million tons of wheat per year to supply India, with which we are all in favour—then at this moment, when the United States is trying to take the diplomatic initiative we should ask in exchange that they abandon their policy on prices, which has held down world wheat prices so long and to agree, if we meet our responsibility to provide a million tons a year to India, and if Australia meets its commitment also, to stop their opposition on wheat prices.

They should give us the stability of no more price boards. They should give us an additional 20 cents on the floor and ceiling prices, and then we can make a deal. I personally intend to do all I can as a member in opposition to achieve these things. I spoke to the Australians when I was there three weeks ago and I know they are fully behind this. I have spoken to the Canadian Wheat Board and to certain farm organizations in the United States. When I go to Washington in two weeks time I hope to take this matter up with the Secretary of Agriculture, Mr. Freeman, and I hope the minister will try to back up this play to get price stabilization, and to get the producers to produce the wheat that the world needs.

Mr. Ed. Schreyer (Springfield): Mr. Speaker, I should like to offer some brief comment on this important matter which affects world grain export prices and the stability of income of many of our Canadian farm people. The statement which was made by the minister today is practically identical, word for word, with the statement made last year by the previous minister of trade and commerce. On reading the previous minister's statement as given in *Hansard* I notice that he not only expressed the hope but gave an assurance that within a year the negotiations in the Kennedy round would come to an end and we would have a new international wheat and cereals agreement.

I am not sure on what basis the minister was able to give an assurance on the outcome of international negotiations, but the fact remains that he did.

I would like to take this opportunity, Mr. Speaker, to express the hope that the Canadian representatives at the Kennedy round talks will firmly resist any attempts made there to lower the grain export price levels. There has been much speculative talk in recent months to the effect that the United States government and others were strongly

pressing for such a reduction. If this were to happen it would put Canadian producers in a very unenviable and precarious income position.

There is a greater onus on the Canadian representatives to these talks than on the representatives of any other country, for the reason that it is only in Canada that grain producers, farmers, are expected to bear the brunt of international price fluctuations without any kind of price stabilization and support by government.

• (4:10 p.m.)

If the United States, for example, succeeds in obtaining an agreement—as we are told it is attempting to do—toward a reduction, then of course this in the United States will be cushioned by the effect of an increase in government price support or subsidy. If the Canadian representatives fail—and of course similarly this is a multilateral negotiation—the government will have to take responsibility and work toward possibly the necessity of a program of price support in respect of grain marketing. So I can only express the hope that in the course of the next short while the negotiation of the Kennedy round will come speedily toward finalization and that there will be a better level of prices which will be reflected in the Canadian economy, and which will help the problem of the cost price squeeze facing agriculture.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I have listened to the statement by the Minister of Trade and Commerce in respect of the signing of the protocol agreement—the extension. This statement did not say much more than what I heard last year on this subject. I should like to remind hon. members, as did the hon. member who spoke previously, that I do not know what the other minister of trade and commerce was basing his assurance on when he assured us there would be an agreement on price stabilization last year. Nevertheless this exchange of practically two billion bushels of grain between the different countries involved, of which we are required to furnish approximately one million tons, for our country represents quite a sector of our economy, and especially the producers of this grain.

There is an extension without coming to any kind of a final agreement with regard to the floor price of the wheat or cereal, because the cereal agreement is not terminated yet and we do not know when it will be. As the hon. member for Qu'Appelle (Mr. Hamilton) mentioned, it might be next year or in two years; we never know how long these discussions will be carried on. In the meantime our Canadian producers are left more or less on the fence.

We know this might last for one year; what is going to come next? I do agree with the proposal of the hon. member for Qu'Appelle that we should insist on the United States government coming to a final agreement in respect of stabilizing the world price of wheat which would give a fair share to Canadian as well as any other producers. This price support I think is a thing which the farmers have been asking for. It seems to me Canadians and the Canadian government should be striving to obtain this; other countries are requesting it.

Now we are faced with just a renewal of the part time agreement for another year; it is an extension. I would have liked the Minister of Trade and Commerce (Mr. Winters) to say at least what he expected out of this renewal, and to have told us whether there was any definite time in which he could foresee this agreement, so as to give assurance to the Canadian farmers.

As I said at the beginning, this is a one million ton business proposition; it represents a great deal to Canadian producers. Because of Canada's position within such an agreement and because of our large contribution, possibly we should have the most to say. I think the minister in his dealings with Washington should strive to come to a final agreement, and not only a renewal. He should endeavour to have a definite policy agreed upon in respect of wheat and world prices to give Canadians a higher price. The hon. member for Qu'Appelle mentioned 20 cents. If it is possible to give more, then give them more; if not, give them something definite and let us not always play the sidelines while Washington plays the main line.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I regret that my colleague from Medicine Hat (Mr. Olson) is not here this afternoon; he is unavoidably absent. I should like to make one or two comments on the statement made by the minister. Surely all Canadians recognize the importance of this particular agreement. Since we know that the extension is just being made now on a yearly basis, I do not think this contributes in any way to the stability of the pricing or the stability of our agricultural economy.

As the hon. member for Qu'Appelle (Mr. Hamilton) has pointed out, a great many

people are affected seriously by this particular agreement. Just this morning some of the members of the farm union delegation pointed out how essential it is to have some long-term program and planning with regard to agricultural matters. I think surely one of the major efforts should be directed toward resolving the problems which are delaying the return to the normal desirable extensions of this particular agreement.

I believe there should be maintenance of a reasonable price. Mention has been made that there should be an increase in the floor. Maintenance of a reasonable price for their product is absolutely essential to the welfare of those in our agricultural community. I trust that every endeavour will be put forward to bring the discussions—the Kennedy round—to a conclusion in order that these other matters can be resolved satisfactorily.

Mr. Speaker: Order, please. At this time I should like to remind hon. members once again of the provisions of our provisional standing orders, particularly standing order 15(2a) which enjoins hon. members when making comments in connection with ministerial statements to limit these comments as much as possible. Perhaps I should commend the Minister of Trade and Commerce, whose statement was a model of brevity.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMPLEMENTATION OF JUDGES ACT AMENDMENT, NOVA SCOTIA

Question No. 698—**Mr. Cashin:**

Has the Minister of Justice or any other minister had any communication from the province of Nova Scotia about any action necessary to give effect in that province to the amendment of The Judges Act (12 Elizabeth II), passed in 1963?

Hon. Judy V. LaMarsh (Secretary of State): I am informed as follows: Yes by the Minister of Justice.

*EXPORTS AND IMPORTS, CANADA-CHINA

Question No. 722—**Mr. Mather:**

1. What was the value, in dollars, of Canadian exports to mainland China in 1964 and 1965?

2. What was the value, in dollars, of Canada's imports from mainland China in the same years?

3. Has mainland China been invited to participate in Canada's world fair in 1967, and, if not, for what reason?

[Mr. Patterson.]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): Mr. Speaker, in answer to part 1 of the question, the value of Canadian exports to mainland China in 1964 amounted to $136,263,000. In 1965, the latest information available is for the first 11 months, when the value of exports to mainland China was $95,547,000.

In reply to the second part of the hon. member's question, the value of imports from mainland China amounted to $9,420,000 in 1964 and to $11,512,000 for the January to September period 1965, the latest figure available.

The answer to part 3 is no. An invitation has not been extended to the government of mainland China for the reasons indicated to the House of Commons by the then minister of trade and commerce on March 3, 1964.

DEATH SENTENCES COMMUTED

Question No. 766—**Mr. Irvine:**

1. How many people in Canada were sentenced to be hanged in each of the years 1930 to 1965?

2. How many of these sentences were commuted to life imprisonment in each year?

3. Of those sentenced to life imprisonment in the years 1930 to 1955, how many were paroled and when?

Hon. L. T. Pennell (Solicitor General): Answers to parts 1 and 2 will be found in the following table.

3. The following table shows the number of paroles, by year, of persons who were sentenced to death in the period of 1930-1955 and whose sentences were commuted to life imprisonment: 1930, 0; 1931, 0; 1932, 0; 1933, 0; 1934, 0; 1935, 0; 1936, 0; 1937, 0; 1938, 0; 1939, 0; 1940, 0; 1941, 0; 1942, 1; 1943, 0; 1944, 0; 1945, 3; 1946, 0; 1947, 1; 1948, 2; 1949, 0; 1950, 4; 1951, 8; 1952, 1; 1953, 3; 1954, 3; 1955, 7.

The following table shows the number of persons sentenced to death, executed, commuted or otherwise dealt with in the years 1930 to 1965. Each case is carried through to its conclusion under the year in which the sentence was imposed. In comparing these figures with those otherwise sometimes published, it should be noted that the latter may include convictions resulting from both the original and a subsequent trial, while the figures given here eliminate this duplication. The classification "otherwise" covers cases in which the conviction was quashed on appeal or the person died before the case was disposed of.

Year	Sentenced to death		Executed		Commuted		Otherwise	
	M	F	M	F	M	F	M	F
1930	21	0	13	0	5	0	3	0
1931	32	0	25	0	3	0	4	0
1932	22	0	13	0	5	0	4	0
1933	19	0	16	0	3	0	0	0
1934	19	3	11	1	4	1	4	1
1935	14	3	11	1	2	1	1	1
1936	19	1	14	0	3	1	2	0
1937	12	0	7	0	2	0	3	0
1938	17	1	8	1	8	0	1	0
1939	9	1	4	0	3	1	2	0
10 yrs.	184	9	122	3	38	4	24	2
1940	17	2	9	0	6	0	2	2
1941	15	0	7	0	7	0	1	0
1942	12	1	6	0	1	0	5	1
1943	9	0	7	0	1	0	1	0
1944	17	0	9	0	4	0	4	0
1945	19	0	10	0	5	0	4	0
1946	24	4	12	1	7	1	5	2
1947	16	0	10	0	3	0	3	0
1948	26	0	12	0	5	0	9	0
1949	26	0	11	0	6	0	9	0
10 yrs.	181	7	93	1	45	1	43	5
1950	16	1	10	0	3	0	3	1
1951	15	2	10	1	2	1	3	0
1952	22	0	10	0	8	0	4	0
1953	20	0	8	0	6	0	6	0
1954	23	0	11	0	4	0	8	0
1955	16	1	6	0	8	1	2	0
1956	16	1	5	0	5	0	6	1
1957	11	0	3	0	5	0	3	0
1958	21	0	3	0	16	0	2	0
1959	15	0	3	0	11	0	1	0
10 yrs.	175	5	69	1	68	2	38	2
1960	10	0	2	0	6	0	2	0
1961	17	0	1	0	10	0	6	0
1962	13	0	2	0	8	0	3	0
1963	12	0	0	0	8	0	4	0
1964	4	0	0	0	3	0	1	0
1965	20	0	0	0	5	0	15*	0
6 yrs.	76	0	5	0	40	0	31	0

* Includes eleven condemned persons whose cases are still on appeal.

FEED GRAIN PRODUCTION, ATLANTIC PROVINCES

Question No. 951—Mr. Flemming:

What was the production of feed grains in the Atlantic provinces for the years 1960, 1961, 1962, 1963, 1964 (a) in bushels (b) in dollar value?

Hon. Maurice Sauvé (Minister of Forestry): The estimated production and farm value of feedgrains in the Atlantic provinces from 1960 to 1964 were as follows:

	(a) Production in '000 bus.	(b) Total farm value in '000 dollars
1960	15,147	12,666
1961	13,761	12,471
1962	15,155	12,706
1963	13,060	11,490
1964	15,338	13,472

Questions

ABOLITION OF PATENTS ON DRUGS

Question No. 1,247—**Mr. Orlikow:**

Was a recommendation made in the report of the restrictive trade practices commission on the manufacture, distribution and sale of drugs that "patents with respect to drugs be abolished" since "in the opinion of the commission this is the only effective remedy to reduce the price of drugs in Canada" and, if so, has the government reached any decision as to the desirability of implementing that recommendation?

Hon. Guy Favreau (President of the Privy Council): The report of the Restrictive Trade Practices Commission concerning the manufacture, distribution and sale of drugs speaks for itself. Careful consideration is being given to the recommendations contained in the report but it is not expected that a decision will be made until after the report of the committee on drug costs and prices has been received.

DOCKING FACILITIES, CHAMPLAIN INDUSTRIAL PARK, N.B.

Question No. 1,255—**Mr. MacEwan:**

1. Does the government intend to construct a wharf and docking facilities in the Champlain industrial park, Charlotte county, New Brunswick?

2. If so, what will be the size of the facilities and the estimated cost of same?

3. Will these facilities be operated by the government, or by private interests?

4. If by private interests, what is the name of the person or company who will operate same?

Hon. G. J. McIlraith (Minister of Public Works): 1. This is under investigation at the present time.

2. 3. and 4. See answer to 1.

TENDERS FOR PIER RECONSTRUCTION, TORONTO

Question No. 1,295—**Mr. Loney:**

1. What are the names and addresses of the tenderers of tender for harbour improvements—reconstruction of pier 30, Toronto, Ontario, tender date April 6, 1966?

2. What was the price quoted by each tenderer?

3. Was the lowest tender accepted and, if not, for what reason?

Hon. G. J. McIlraith (Minister of Public Works): 1. Bermingham Construction Limited, Marine Terminal, Wellington Street, Hamilton, Ont.; Ruliff Grass Construction Company Limited, P.O. Box 550, Thornhill, Ont.; Canadian Dredge & Dock Co. Limited, 60 Harbour Street, Toronto, Ont.; Robert McAlpine Ltd., Challenge Road, Rexdale, Ont.; Doyle Hinton Limited, 477 Mount Pleasant Road, Toronto 7, Ont.; C. A. Pitts Construction (Ontario) Limited, 30 Commercial Road, Toronto 17, Ont.

2. Bermingham Construction Limited, $181,099; Ruliff Grass Construction Company Limited, $196,695; Canadian Dredge & Dock Co. Limited, $209,876; Robert McAlpine Ltd., $217,947.50; Doyle Hinton Limited, $277,874; C. A. Pitts Construction (Ontario) Limited, $283,698.

3. Yes.

FILMS MADE BY NATIONAL FILM BOARD

Question No. 1,298—**Mr. Allard:**

1. Of the films produced by the National Film Board since January 1, 1959 (a) how many dealt with penal institutions (b) how many dealt with the National Parole Board?

2. What was the cost of these films?

3. How many of these films were in the French language?

4. How many were in the English language only, and for what reasons?

Hon. Judy V. LaMarsh (Secretary of State): National Film Board

1. (a) 6; (b) 0.

2. $190,328.

3. Six (all six films were produced in French and in English).

4. None.

*CANADA PENSION PLAN AND ESTATE TAX

Question No. 1,311—**Mr. Bell (Carleton):**

1. Will it be the practice of the Department of National Revenue to include the commuted value of a survivor's pension under the Canada Pension Plan in determining the value of a deceased estate for estate tax purposes?

2. If so, upon what basis or principle will the commuted value be determined?

3. Will the government consider an amendment to the Estates Tax Act exempting payments made pursuant to the Canada Pension Plan from estates tax?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am informed by the departments of national revenue and finance as follows:

1. Yes, under the provisions of the Estate Tax Act as they now are.

2. The pensions will be calculated, as far as possible, in accordance with existing regulations and tables.

3. This is a matter of government policy. If any changes are to be proposed in the Estate Tax Act they will be announced at the appropriate time.

*REFUND OF ESTATE TAX, ALBERTA

Question No. 1,315—**Mr. Bell (Carleton):**

1. Have there been any discussions or correspondence between the government of Canada and the government of Alberta or representatives of either, regarding the proposal of the latter government to rebate to estates in that province seventy-five per centum of the estate tax collected from estates of decedents resident in that province?

2. If so, what has been the nature of such discussions or correspondence and what was the result thereof?

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in answer to the first part, yes. In answer to the second part, by letter Hon. A. O. Aalborg, provincial treasurer of the province of Alberta, informed the Minister of Finance of the resolution concerning the estate tax adopted by the legislature of Alberta on April 15, 1966. The Alberta legislature resolved that legislation be submitted to the next session of the legislature providing for the rebate of estate tax remitted to the province by the government of Canada in all cases where the deceased was a bona fide resident of Alberta and, that the government of Alberta enter into negotiations with the government of Canada with a view to securing the removal of estate tax in its entirety in so far as it applied to residents of Alberta.

Mr. Aalborg indicated that Alberta would be requesting later this year a meeting with the Minister of Finance to discuss the proposal that the government of Canada remove the estate tax in its entirety in Alberta commencing in 1967.

*INCREASE IN SUCCESSION DUTIES EXEMPTION, ONTARIO

Question No. 1,316—**Mr. Bell (Carleton):**

1. Have there been any discussions or correspondence between the government of Canada and the government of Ontario, or representatives of either, regarding the increases in exemption from succession duties granted in Ontario?

2. If so, what has been the nature of such discussions or correspondence and what was the result thereof?

3. Will the government of Canada consider now increasing exemptions under the Estate Tax Act to achieve exemptions at least as favourable to taxpayers as those now granted under the Ontario succession duty act?

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the answer to the first part of the question is, no. The answer to the second part is not applicable. The answer to the third part is, this is a matter of government policy. If any changes are to be proposed in the Estate Tax Act they will be announced at the appropriate time.

FEDERAL BUILDING, PARRSBORO, N.S.

Question No. 1,328—**Mr. Coates:**

1. Is it the intention of the government to construct a new federal building or post office at Parrsboro, N.S.?

2. Have investigations been carried out in the Parrsboro area with regard to the purchase of a site for a new federal building or post office and, if so (a) has any land been acquired by the government and (b) from whom and at what price?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes a federal building.

2. Preliminary site investigations have been carried out with regard to the purchase of a site. (a) no, (b) not applicable.

NATIONAL MUSEUM SPACE

Question No. 1,365—**Mr. Reid:**

Are all the functions of the National Museum consolidated in one building and, if not (a) for what reason (b) what are the other addresses (c) what functions or departments of the National Museum are housed there (d) what is the cost to the government for this space?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the directors of National Museum as follows:

The answers to Question 1,365 are that the functions of the National Museum are not consolidated in one building, because

(a) the Victoria Memorial Museum has long been too small; and

(b) the other addresses are: (i) The Canadian War Museum, in a one storey building used for exhibits on Sussex street; (ii) The National Aviation Museum in space rented for exhibits from D.O.T. at Uplands airport, under an agreement between the Minister for Northern Affairs and National Resources and the Minister of Transport, dated July 1, 1960, for a rent of $60,000 per annum paid out of the museum estimates; (iii) Hangars 66, 67 and 68 at Rockcliffe used for exhibition of aircraft from the national collection of historic aircraft, for workshops for the repair of aircraft and the storage of aircraft not currently on display; (iv) 7 Murray street,

Ottawa, for the Canadian War Museum's laboratories, renovation work and study collections containing specimens not currently on display; also offices for the staff employed there; (v) 1523 Laperrière avenue, Ottawa, for housing the study collections of the history division and specimens held for the future Museum of Science and Technology; workshops for renovation and conservation; offices for the staff employed there; (vi) Until September, 1966, the Engine House, Ottawa West, for housing historic railway material; (vii) The Côté building, Carillon and Iberville streets, Hull, housing palaeontological and zoological study collections; (viii) Mines Branch Annex, Sussex and George streets, Ottawa, housing paleontological offices, laboratories, workshop and study collections; (ix) 860 Bank st., Ottawa; storage for the Technical Services and Display Sections; museological items; and field equipment; (x) Services building, 211 Montcalm street, Hull, P.Q., for housing study collections of Canadian War Museum and National Aviation Museum.

(c) Rentals for this space total $188,528.23 per annum including the $60,000 for the aviation museum.

CONTINUATION OF NATIONAL MUSEUM WORK

Question No. 1,370—**Mr. Reid:**

Does the government intend to continue the scientific and educational work carried on by the national museum (a) in the present building and, if so, for how long (b) in the proposed new national museum building and, if not, for what reason?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the directors of National Museum as follows: (a) Yes, in the present buildings and additional temporary space as necessary, until the new building is ready. (b) Yes.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL RESEARCH COUNCIL RESEARCH CENTRES

Question No. 40—**Mr. Allard:**

1. Are there French language sections in the National Research Council, the Canada Council and other federal research institutions and, if so, what are their designations and locations?

2. In small research centres established by the National Research Council (a) where is each centre located (b) how long has it been active (c) what is the subject of each research project (d) what were the amounts spent in 1960, 1961, 1962, 1963, 1964 and 1965 (e) on whose representations was each centre established?

Return tabled.

[Miss LaMarsh.]

STATEMENTS OF ELECTION EXPENSES

Question No. 282—**Mr. Caouette:**

1. What are the names of the candidates who have not submitted, within the prescribed time, the declaration concerning their electoral expenses for the federal election of November 8, 1965?

2. Will the penalties prescribed by section 63 of the Canada Elections Act be imposed upon them and, if not, for what reason?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notices of motions No. 119 and 123 are acceptable to the government.

Notice of motion No. 122 is also acceptable to the government and the papers in question are tabled forthwith.

I ask, Mr. Speaker, that the other notices of motions stand.

[*English*]

AIRCRAFT SEPARATION ON NORTH ATLANTIC ROUTE

Motion No. 119—**Mr. Dinsdale:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the Canadian submission to the I.C.A.O. on the question of separation of aircraft on the north Atlantic route.

Motion agreed to.

HOLDERS OF BROADCASTING LICENCES

Motion No. 122—**Mr. Stafford:**

That an order of the house do issue for a list of owners and shareholders of all private radio and television companies licensed to broadcast in Canada and at present holding licences issued under the authority of the Department of Transport.

Motion agreed to.

USE OF SEAWAY BY RUSSIAN SHIPS

Motion No. 123—**Mr. Horner (Acadia):**

That an order of the house do issue for copies of letters or correspondence with the Department of External Affairs or other departments concerning a request by Canadian representatives of Russian shipping in Canada for permission to sail up the St. Lawrence seaway.

Mr. Speaker: Is it the pleasure of the house that notice of motion No. 123 be deemed to have been adopted?

Some hon. Members: Agreed.

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, is it my understanding that notice of motion No. 123 is deemed to have been adopted? There may have been a slip of the tongue, because the government's intention is that this motion should be allowed to stand.

Mr. Speaker: The parliamentary secretary called notices of motion Nos. 119, 122 and 123 and they were deemed to have been adopted.

Mr. Macdonald (Rosedale): Mr. Speaker, it is my understanding that the government's request is that No. 123 be allowed to stand.

Mr. Speaker: Unfortunately a motion has been made by the hon. parliamentary secretary and carried.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I must take responsibility for this difficulty which occurred while I was otherwise engaged. I spoke to the hon. member for Acadia (Mr. Horner) about this matter and he agreed that this motion should stand, for the reasons I discussed with him.

Mr. Starr: He is not here—

Mr. Martin (Essex East): He was here and I discussed this with him.

Mr. Starr: The motion has now been passed.

Mr. Martin (Essex East): Surely the house does not want to pass something that is—

Mr. Starr: The house has already passed it.

Mr. Speaker: Order, please.

Mr. Martin (Essex East): If my hon. friend knew the circumstances I am sure he would agree that—

Mr. Speaker: Order, please. In view of the explanations given by the parliamentary secretary and the Secretary of State for External Affairs, is it the wish of this house that this motion be allowed to stand?

Some hon. Members: No.

Some hon. Members: Agreed.

Mr. Pickersgill: The mover of the motion is not in the house, sir.

Motion agreed to.

Inquiries of the Ministry

GRAIN

WHEAT—PROTOCOL EXTENDING OPERATION OF INTERNATIONAL AGREEMENT

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 arising out of his statement in respect of the one-year extension of the protocol on the international wheat agreement. Is it not a fact that this will result, as far as the farmer-producers of this country are concerned, in the price of farm products being frozen for another year, in spite of the fact that the cost of various items required by farmers, such as machinery, fertilizer and the like, have increased to great heights? What representations has the government of Canada made to the United States in order to impress upon that nation that the Canadian farmer has been caught in an impossible position as a result of this additional year of frozen prices, and the ever increasing cost of production?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, the answer to the first part of the right hon. gentleman's question is that present price limits are extended for the next year under the terms of the protocol. In answer to the second part I should point out that the Canadian government recognizes the position of the farmers and is doing everything within its power to bring this situation to the attention of importers throughout the world.

Mr. Diefenbaker: What representations have been made by the Canadian government to the United States in this connection, to point out that the Canadian farmer will have the price of his produce frozen at a time when everything he purchases is increasing in cost?

Mr. Speaker: Order, please. I suggest to the right hon. Leader of the Opposition that his question is argumentative.

Mr. Diefenbaker: Mr. Speaker, perhaps I can rephrase my question so that it is something other than argumentative. What representations has the government of Canada made to the United States regarding the injustice of this situation.

Mr. Speaker: Order, please. I suggest to the right hon. Leader of the Opposition that he has merely paraphrased his question rather than rephrased it.

Inquiries of the Ministry

TRANSPORT

REQUEST FOR RETURN OF BOX CARS FROM UNITED STATES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to address a question to the right hon. Prime Minister. Has the management of the Canadian Pacific Railway made representations to the Prime Minister and the Minister of Transport asking them personally to intervene with United States authorities in an attempt to obtain the return of some 2,000 box cars which are being held in the United States? If such representations have been made, what action does the government intend to take concerning this matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not aware of any such representations having been made to me, but I shall be glad to look into the matter at once. I do not know whether representations have been made to my colleague, the Minister of Transport.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, would the hon. gentleman indicate his understanding as to whom these representations were made?

Mr. Douglas: Mr. Speaker, I asked whether representations were made to the Minister of Transport and, following no action on his part, to the Prime Minister.

Mr. Pickersgill: I should like to ask the hon. gentleman whether he can indicate to whom the representations were made, because that is the part of his question I could not hear.

Mr. Douglas: Mr. Speaker, were representation made to the Minister of Transport and the Prime Minister asking them personally to intervene with United States authorities in an attempt to enable the Canadian Pacific Railway to repossess some 2,000 box cars which are being held in the United States, and which the C.P.R. has not been able to repossess to meet the serious need for the movement of grain?

Mr. Speaker: Order, please. If this is the only question asked by the hon. member, I think it is out of order. The hon. member is asking whether representations have been made to the minister, and I suggest this is not an urgent matter.

[Mr. Speaker.]

Mr. Douglas: May I, with great deference, Mr. Speaker, point out that previously I had asked what action was being taken, because I am sure Your Honour recognizes that the holding in the United States of 2,000 box cars belonging to the C.P.R. is a matter of great urgency to the farmers of Canada.

Mr. Speaker: Order. I was under the impression that the hon. member had dropped the other part of his question.

Mr. Douglas: Not at all.

Mr. Pickersgill: Mr. Speaker in order to clear up this matter I may say that I have had several conversations, and so has the Minister of Finance, with various officers of the Canadian Pacific Railway, and on every one of these occasions we have drawn attention to the desirability of doing everything possible to get Canadian box cars back from the United States as fast as possible. The railway has on every occasion assured us that they wanted to do so because they could make a lot more money if they had them in Canada, rather than the United States. I believe they are making every effort to have them returned to this country.

At one stage very briefly, for one or two days, there was some order of the United States authorities which might have created difficulties. It was removed almost immediately as a result of representations, not made by me, but made in the ordinary way through the ordinary channels in Washington. I know of no other way in which the United States authorities have intervened at all to prevent the normal operation of the arrangements between the railways.

[*Translation*]

PUBLIC WORKS

REQUEST FOR EXPLANATION OF PROCEDURE IN CALLING TENDERS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, in the absence of the Minister of Public Works I shall put my question to the right hon. Prime Minister.

Tenders will be opened Friday night for the selection of a company to tear down the Roxborough building. The department called for tenders from four companies. Why did the federal government not proceed as usual, that is by inviting public tenders and awarding a contract to the lowest bidder?

Mr. Speaker: Order. Perhaps the hon. member has a grievance to raise, but the question he puts at this time is out of order.

[*English*]

FISHERIES

REQUEST FOR IMPLEMENTATION OF LEGISLATION RESPECTING BASE LINES

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I have a question for the Minister of Fisheries. Considering the repeated questions raised in this house which have added to the demand from the Fisheries Council of Canada yesterday for measures to protect Canadian fisheries for Canadians, is the government prepared to set a deadline within which agreement must be reached for the application of a 12-mile protected fishing zone measured from a headland-to-headland base line?

Mr. Speaker: Order, please. This appears to be a question of a very general nature and I suggest to the hon. member that it cannot be asked at this time.

Mr. Johnston: Mr. Speaker, the negotiations on this question have been going on for two years.

Mr. Speaker: This is why I thought the question should not be asked at this time.

INDIAN AFFAIRS

ARDA—PROVISION FOR DRAINAGE ON RESERVES

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I have a question for the Minister of Forestry of which I have given him notice. Recently the minister issued a press release indicating that the federal government and the government of Ontario have arranged through ARDA to share the costs of drainage work in eastern Ontario municipalities in a five-year drainage program. Would the minister be prepared to participate in a similar arrangement to promote drainage work on Indian reserves wherever the agricultural capability of Indian land would be improved thereby?

Mr. Speaker: Order. I would suggest to the hon. member that he place his question on the order paper.

Inquiries of the Ministry

AGRICULTURE

INCREASE IN TRANSPORTATION COSTS TO DAIRY FARMERS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, on behalf of our dairy producers I should like to put to the Minister of Agriculture this urgent question. Since a very few days ago when the minister announced his new dairy subsidy policy, have certain processors raised their transportation costs by as much as 50 per cent in some cases? If the minister is so informed, will he intervene right away, before it is too late, so the individual farmer will get the benefit of the minister's new policy? Has the minister been informed that this has happened in the few days since he announced his policy? It is an urgent matter that can only be dealt with immediately.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I will take this question as notice and report to the hon. member.

TRANSPORT

NOVA SCOTIA—SECOND FERRY TO NEW ENGLAND

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. It is my understanding that a study has been undertaken by the federal and provincial governments relative to the proper terminus in Nova Scotia for a second ferry between New England and Nova Scotia. Would the minister inform the house when a report on the progress being made by this study group may be expected, and whether we can anticipate the provision of this very much needed second ferry within the next year?

Hon. J. W. Pickersgill (Minister of Transport): I hope quite soon to be able to say something about this subject.

GRAIN

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

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Minister of Agriculture? I would ask the minister whether his attention has been drawn to a brief presented to the government yesterday by the

National Farmers Union, wherein the National Farmers Union indicates that there is a growing volume of exports of western grain through west coast ports and regrets the postponement or delay in the expansion of the grain elevator facilities at Prince Rupert. I would also ask whether this has tended to change the minister's mind about that grain elevator.

Mr. Speaker: Order, please. The question cannot be put in this way and is not acceptable.

INDUSTRY

COPPER ORE—SUGGESTED EXTENSION OF EMBARGO TO UNITED STATES

On the orders of the day:

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, my question is addressed to the Minister of Trade and Commerce. Has the minister received lately representations about the copper scrap shortage and suggestions that the embargo on this ore should be extended to the United States?

Mr. Speaker: I would invite the hon. member to place the question on the order paper.

Mr. Mongrain: Ten o'clock, please, Mr. Speaker.

FIRES

HEAVY LOSS ON MONTREAL WATERFRONT

On the orders of the day:

Mr. Milton L. Klein (Cartier): Mr. Speaker, my question is directed to the Minister of Transport. Is the government conducting an investigation into the disastrous fire which occurred on the Montreal waterfront, and if so does the minister have anything to report to the house in this connection?

Hon. J. W. Pickersgill (Minister of Transport): We certainly are conducting such an investigation. It is a very worrying situation. I should like, if I might, to pay tribute to the wonderful work done by the Montreal fire department in saving all that could be saved of these buildings.

Some hon. Members: Hear, hear.

AGRICULTURE

REQUEST FOR PROTECTION ON GRADE STANDARDS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Agriculture. Would the minister mind, for the information of members of this house, having a pamphlet issued by his department informing consumers what is being done by the Department of Agriculture to protect consumers with respect to grade standards in all types of agricultural produce?

Mr. Speaker: Order, please. I suggest to the hon. member that the question is not so urgent that it should be asked at this time, and it might be placed on the order paper or perhaps debated at a later hour.

[*Translation*]

ABITIBI—REQUEST FOR COMPENSATION FOR CROP DAMAGE

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Could the minister tell us whether the federal government will make direct payments to the farmers of the Abitibi area, as was done in the case of the farmers of the Lake St. John area, for damage sustained by their crops in 1964? If so, will those amounts be paid soon?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker—

[*English*]

Mr. Speaker: Order, please. I understand this question refers to a situation back in 1964 and I fail to understand the immediate urgency of the question. I would suggest to the hon. member that he place it on the order paper.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, when a similar question was put to the minister the other day, he was able to reply that an amount of $12 million had been paid to the province of Quebec for the farmers of the Abitibi and Lake St. John areas.

The member for Chapleau is now asking whether the federal Department of Agriculture has started paying those amounts.

Mr. Speaker: If the minister wishes to make a statement on this matter, he is free to do so.

Mr. Greene: Mr. Speaker, I wish to thank the hon. member for having given me notice of his question. My departmental officials inform me that the cheques in question were mailed yesterday.

[*English*]

EDUCATION

CONDITIONS GOVERNING FREE UNIVERSITY TRAINING

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the minister's statement within the last day or so in Halifax that lack of education is the most important of the causes of poverty and that free university education may become ncessary, will the minister say how the government proposes to determine the extent of poverty necessary before a policy to make free university education possible can be provided?

Mr. Speaker: Order, please. The question is argumentative.

EXPO '67

USE BY EDMONTON OF "KLONDIKE" THEME

On the orders of the day:

Mr. Reid Scott (Danforth): I wanted to ask a question of the Minister of National Defence affecting the peace and security of the country. It arises out of a certificate I received this morning referring to the Yukon-Klondike defence force, in which this statement is made:

> This . . . . puts you in the front line of battle of the Yukon's fight with Edmonton to win back the Klondike.

I want to ask the minister whether the recruitment of this private army to wage war on Edmonton—

Mr. Speaker: Order, please, this question cannot be accepted.

Mr. Scott: Ten o'clock.

PUBLIC WORKS

TORONTO—PLACING OF FILL IN LAKE ONTARIO

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I should like to ask the Minister of Public works a question relating to the illegal filling of lake Ontario at the city of Toronto. Why is it that officials of the Department of Public Works stopped the town of New Toronto from extending their two public parks into the lake, and yet they did not stop the private developers, Millgate? Should the town of New Toronto hire a new lawyer?

Mr. Speaker: Order. The hon. member may want to discuss this matter at a later hour.

EXTERNAL AFFAIRS

NATO—REMOVAL FROM FRANCE OF POLITICAL AND MILITARY HEADQUARTERS

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): I should like to direct a question to the Secretary of State for External Affairs, which arises out of remarks made to the external affairs committee. In view of the reports in this morning's *Globe and Mail* that proposals for the removal from France of NATO political as well as military headquarters have gained ground among NATO experts and diplomats could the minister tell this house whether this is a result of this government taking the initiative?

Mr. Speaker: This question cannot be accepted. The question is out of order.

REDISTRIBUTION

CONSIDERATION OF OBJECTIONS TO COMMISSION REPORTS

Mr. Speaker: The house will now proceed to the consideration of objection No. 14, relating to the province of Manitoba. A notice of the objection in the form of a motion was filed with Mr. Speaker in the following terms:

> Proposed Electoral Districts of the Province of Manitoba:
>
> That, pursuant to Section 20 of the Electoral Boundaries Readjustment Act (Chapter 31, Statutes of Canada 1964-65), and for the reasons hereinafter specified, consideration be given by this House to the matter of an objection to the following provisions of the Report of the Electoral Boundaries Commission for the Province of Manitoba, laid before the House by Mr. Speaker on Wednesday, January 19, 1966.
>
> The objections to the provisions of the Manitoba report are as follows:
>
> 1. The Commission failed to give sufficient emphasis to geographical considerations, the sparsity, density and relative rate of growth of the population, and overlooked the special problem of communication and transportation in respect of certain new electoral districts.

2. The Commission failed to give special consideration to the accessibility of one region to another region in determining the boundaries of certain electoral districts.

3. The Commission failed to give proper attention to the physical, social or economic cohesion in some of the new electoral districts created, thus ignoring the importance of unity or community of interest in those electoral districts.

4. And such other objections that the undersigned Members may deem necessary to carry out the spirit and terms and conditions of the Act in question.

Hon. Michael Starr (Ontario): Since this is the last day of the debate on this subject, Mr. Speaker, and the objections of one province, the province of Manitoba, are to be considered, and since the business of the house has consumed so much of the time, I wonder if the house would agree to hearing all of those who wish to speak on the objections concerning the province of Manitoba, even though this might take us beyond six o'clock?

Mr. Speaker: Order; I understand that in addition to the objections relating to the province of Manitoba there are still two specific objections from the province of Quebec to be considered. I assume that if hon. members want the house to make an order respecting these particular objections, that order should also include a reference to the two objections from Quebec. Is this agreed?

Some hon. Members: Agreed.

Mr. Eric Stefanson (Selkirk): Mr. Speaker, I know that the tasks that were assigned to the redistribution commission were difficult. It is essential, however, that the best maps possible should be submitted for final approval. It is desirable that as few people as possible be left dissatisfied. It is for this reason I propose to make a few remarks on the objections before us, in an endeavour to be helpful to the commission. If, during my comments, I use some strong words about some of the things proposed by the commission, it will be because I have the strong feeling that some people are not getting fair treatment. I feel that I have to speak on behalf of these people. I feel, too, that it is of major importance to get started on the right foot and produce a map that will be acceptable to most people.

Before I deal with the map proposed by the commission, I want to point out that the four original ridings were Provencher, Lisgar, Marquette and Selkirk. These are historic ridings. It does not seem right or fair that one name should be dropped and three retained. The historic name of Selkirk certainly deserves to be retained, but this should not be done in a meaningless way. It should be done in such a manner that the town of Selkirk would remain an important hub of such a riding. The name of the constituency should not be a hyphenated name.

In dealing with the map proposed by the federal Redistribution Commission for the province of Manitoba, I should like to say that I have some serious doubts concerning the redistribution act itself. I also question the knowledge that the members of the Manitoba Redistribution Commission have regarding the community interests of people located in rural Manitoba. The commission, in fact, completely ignored the geographical, cultural and economic interests of Manitoba's rural people. In addition, they have ignored the basic lines of communication throughout the province. With due respect to the members of the commission, I ask why there was not a professional geographer on the commission and why there was not one person from rural Manitoba on it.

I have heard rumours that the maps were actually sketched by university students at Carleton University in Ottawa and that the Manitoba commission merely chose one of those maps and made slight alterations thereon. If this is true, I consider it an insult to the people of Manitoba. The opinion of a great number of Canadians who have studied this problem is that the members of the provincial commissions are dominated, and in some cases actually afraid of, the representation commissioner. The rumour in Manitoba is that the commission has decided their choice of maps is final, and that no evidence produced by members of parliament will change their minds. This is precisely the same arrogant attitude which they took at the public hearings last fall.

There were many excellent representations made by people from the interlake area and the northern part of the province. The arguments presented by those people would certainly have convinced an independent judge that there are serious faults in the proposed map. In addition, a brilliant presentation was made by Mr. J. A. MacKay of Winnipeg. Mr. MacKay presented a map that is far superior in all aspects to that of the commission. If the people of Manitoba had their choice in the matter, I predict they would take Mr. MacKay's map. Why do the members of the commission not go out to rural Manitoba and

obtain the opinions of the people? Should political maps not be the ones which the people want? It appears that we do not have this, but instead we have a dictatorship that is unwilling to accept the opinion of the people. Is this what we want? Is this what is meant by an independent commission? If this is the situation, and it appears that it is, we have gone backwards rather than forwards. Instead of satisfying the people's wishes we have put the redistribution of federal seats in each province into the hands of a four man dictatorship rather than in the hands of 265 elected representatives of the people.

What were the most frequently mentioned complaints at the hearings last fall? For the record, they were as follows:

1. That it is completely unnecessary to have rural areas in a Winnipeg seat or to have a Winnipeg area in a rural seat. The reasoning is quite clear. People should not be dominated by others who have completely different interests.

• (4:50 p.m.)

2. That the interlake area forms a natural unit and should not be divided into three parts but should form one constituency. If it must be divided, it should be divided along the highways system. There are three main highways running through the interlake, all of which run in a north-south direction. One highway, the St. Laurent-Ashern line, is situated on the west side, and the other two are close together on the east side.

3. The Churchill constituency, which has been extremely difficult in the past, has become impossible by the addition of the northern interlake. In addition, complaints were heard from the people of the northern interlake who feel that they do not belong in Churchill.

What did the commission do about these complaints? First of all, they moved the people of Gimli and Riverton into the Winnipeg-Selkirk seat, making this seat more impossible in that they have allowed additional domination, and in that they have given this seat, which is one third rural, the second largest population of any seat in Canada.

Second, they moved the dividing line between Portage and Churchill a few miles north, reducing Churchill's population by some 3,000 people. Do they actually think that this has eased the Churchill situation? Well, I have represented this area for eight years and I know that it has not. The member still has to travel three lines, and whether or not he must cover a few extra villages makes no difference. It appears to me that all they saw was population figures and they were determined to reduce the population of Churchill.

It is true that population was an argument, but there is much more to redistribution than population. In making the change, they have cut through two municipalities which were originally included in one constituency. The people of Fisher Branch, Broad Valley and Poplarfield are one family and the commissioners have worsened the situation by drawing a line through that area.

What could they have done without redrawing the map? They could have made great improvements by making changes as slight as they did. First, Brooklands could have been transferred into Winnipeg North from Portage; Old Kildonan and West St. Paul could have been moved from Winnipeg North to Winnipeg-Selkirk. The result is an increase of 1,000 people in Winnipeg North.

There were complaints at the hearings from the town of Brooklands. Those who are almost in the centre of Winnipeg do not want to be dominated by a rural area. Everything in the municipality of St. Andrews that is north of the town of Selkirk could have gone into Portage. If these changes were now made, Portage would have a population of approximately 65,000 and Winnipeg-Selkirk would have a population of approximately 77,000. This minimum of change would have eliminated most of the domination which now exists. The commission could then have redrawn the Portage-Churchill line in order to ease the Churchill situation. This would have little or no effect on the populations of the constituencies concerned.

As I see it, the major faults in the proposed maps are as follows:

1. Lines of communication and community interests have been completely ignored in the Churchill constituency.

2. Metro Winnipeg has not been given its fair share of Manitoba's 13 seats.

3. Lines of communication and community interests have been completely ignored in that the interlake area has been divided into three.

4. The proposed map allows certain areas to dominate other areas which are completely unrelated.

5. It is quite clear that my complaints are the same as those presented by the people of Manitoba.

On the first point, the reasons for objecting to the proposed Churchill constituency are so numerous that an entire volume could be written on it. The Churchill constituency as it was before redistribution had sufficient population and should be left as it was. The argument put forth by the commission for not doing this is that the farming district in the Swan River valley should not come under the same representation as the northern towns of Flin Flon, Thompson, etc. They have therefore placed it with the northern interlake. The same argument applies to the northern interlake in that the largest industry in the northern interlake is mixed farming.

In addition, there are numerous other arguments as to why the Swan River valley should be in Churchill. First, Swan River has come under Churchill representation in the past and is therefore accustomed to it. I have heard that these people would prefer to be in Churchill. Second, the main highway to the north goes through the Swan River area and not through the interlake. Third, the distance between the northern towns to the Swan River valley is much closer than it is to the northern interlake.

Fourth, the Churchill constituency is one of the largest in Canada and therefore difficult enough to represent without making it much more difficult. The northern interlake area is out of the way and loosely connected. Fifth, by including a part of the interlake in Churchill, the commission has split the natural, economic, cultural and political interlake unit.

As I have already stated, the interlake is a natural unit bordered by lakes on both sides. Someone stated at last fall's hearings that the commission claims to advocate natural boundaries and that they have ignored the most natural boundary of all. Lakes have a tendency to separate people whereas rivers and other boundaries do not. The numerous arguments as to why the entire interlake area should come under one representation were tabled in detail at the hearings last September. I should, however, like to make a special plea for the people in Ashern, Fisher Branch and other towns included in Churchill. These people are extremely unhappy and feel completely neglected. Their only source of communication is with the people to the south. I should also like to make a special plea for the people on Hecla island. The only direct communication that these people have is with the people of Riverton. They therefore must come under the same representation.

Besides being a natural unit, the entire interlake area is a designated ARDA area. This is an additional reason why the entire area should come under one representation. If the interlake must be divided, it can only be divided in two, not into three as the commission has done. If it is divided, the only logical way to do so is to divide it on a north-south line; that is, the provincial constituency of St. George could go into Churchill and the remainder into another constituency. At least the entire interlake population in Churchill would then be in along one highway, that is highway No. 6. The portion now included in Churchill is very loosely connected. There is limited road connection from east to west.

The same problem was encountered in the last provincial redistribution and at that time the commission made the change and divided St. George and Fisher by a north-south line rather than an east-west line. Why is this course not followed this time?

A special objection should be made to the proposed Winnipeg-Selkirk seat. The chairman of the Manitoba commission has stated on several occasions that a proper population distribution was essential and that this had created problems for the commission. The typical Winnipeg constituency has been given a population of approximately 84,000 and the typical rural constituency a population of 60,000 people. In this case, a constituency which is two thirds Winnipeg and one third rural should have a population of 76,000 people. It is therefore extremely unfair to give Winnipeg-Selkirk the largest population of any seat in Manitoba.

Another objection which I have to this seat is that there is absolutely no community of interest between the people of a town such as Riverton and the people of Elmwood, a district in Winnipeg. The placing of Riverton with Elmwood is the same as if Morden were placed in St. Boniface, or if Pine Falls were placed with St. James. Unless it is absolutely necessary, no city seat should contain a rural area or vice versa.

If a rural area must be placed in a Winnipeg seat, at least the areas should be adjacent to each other. For example, Riverton is 100 miles from Elmwood with no highways leading into Elmwood. There are two highways from Riverton to Winnipeg and they both lead into West Kildonan. Another objection which I have to the Winnipeg-Selkirk

seat is that the rural people should not be dominated by unrelated people from Elmwood and East Kildonan. The same holds true for the people in the town of Brooklands.

Metropolitan Winnipeg has not been given its fair share of Manitoba's 13 seats. The population of metropolitan Winnipeg, as taken in the 1961 census, is 475,989 people. As I stated earlier, there is absolutely no need to make any constituency partly rural and partly urban. Winnipeg should have been given six seats with an average population of 79,331. Upon reviewing the proposed maps for Ontario, I notice that all but one of the Toronto seats have a population between 79,000 and 80,000. In Ontario and Quebec only five out of 164 seats have a population of 80,000 or more, and in all cases they are just slightly over 80,000.

In conclusion, I would like to state that I endorse the political map of rural Manitoba which was presented at the hearings last September by Mr. J. A. MacKay. I have prepared a map displaying Winnipeg divided into six seats. This took me approximately two hours to prepare. If I have been able to prepare a map in two hours, it should be no hardship for the commission to redraw the Winnipeg constituencies. If they feel that my map is inferior to the one which they have proposed for greater Winnipeg, I challenge them to publish my map alongside theirs in the daily newspapers and give the people a chance to make their decision.

• (5:00 p.m.)

I would ask at this time whether I might table the map of the city of Winnipeg and of rural Manitoba, which could go along with these remarks.

Mr. Dinsdale: Including Brandon-Souris?

Mr. Stefanson: As far as I am concerned, the entire map should be redrawn on a six-six-one basis; that is, six Winnipeg seats, six rural seats and one northern rural seat. My map of greater Winnipeg is an indication of what can be done.

Mr. Deputy Speaker: Order, please. Does the house give unanimous consent to the hon. member to table the documents referred to?

Some hon. Members: Agreed.

Mr. Stefanson: Mr. MacKay's map of rural Manitoba is a good starting point for the commission. If the commission is not prepared to listen to our viewpoints as well as the viewpoints of the people of Manitoba, the entire redistribution has been a failure. At a very minimum, I emphasize that the commission must give Winnipeg six seats. They can then transfer the entire rural portion of the Winnipeg-Selkirk seat to Portage. The rural portions include the municipalities of Bifrost, Gimli, St. Andrews and most of St. Clements. Portage can then give up its portion of the municipalities—Assiniboia and Charleswood—along with the town of Brooklands, to Winnipeg seats. Portage can then give up everything south of the Assiniboine river to Lisgar, and Lisgar can give up the municipalities of Riverside and Turtle Mountain to Brandon-Souris. The result would be that Portage, Lisgar and Brandon-Souris would all end up with a population of 67,000, while the other rural seats, with the exception of Churchill, would have populations of around 60,000. This seems fair in that Portage, Lisgar and Brandon would have much less territory than the other rural constituencies.

In addition to giving Winnipeg six seats, the minor changes just listed would mean that the interlake would only be cut into two rather than three as presently proposed After making the above mentioned changes, a switch could be made between Churchill and Portage, dividing the interlake according to lines of communication as outlined earlier. Even though it is not the ultimate solution for the Churchill constituency, it would be an improvement.

In closing, I wish to state that I regret that the commission did not see fit to apply paragraph 13, section 3(i) and (ii) of the redistribution act which reads as follows:

> (c) the commission may depart from the strict application of rules (a) and (b) in any case where
>
> (i) special geographic considerations, including in particular the sparsity, density or relative rate of growth of population of various regions of the province, the accessibility of such regions or the size or shape thereof, appear to the commission to render such a departure necessary or desirable, or
>
> (ii) any special community or diversity of interests of the inhabitants of various regions of the province appears to the commission to render such a departure necessary or desirable.

The proposed Winnipeg-Selkirk riding, an urban rural riding, has the second largest population of any riding in Canada, and this proposed riding includes the city of East Kildonan, the fastest growing area in Metropolitan Winnipeg. The riding of Churchill, according to the 1961 census, had a population of 54,952, which gave it sufficient population by using the tolerance allowed under the

act, and therefore, it was not necessary to add any additional area. The riding of Churchill is the second largest in area in Canada, and therefore it should have been a primary concern of the commission not to increase its area size.

I trust that the commission will give serious consideration to the points and suggestions I have made, and endeavour to produce a map which will be acceptable and fair to as many people as possible.

Mr. Deputy Speaker: Order, please. So that there will be no misunderstanding, may I say to the hon. member who has just spoken that previously in this debate, when documents were to be sent to the commission they were deposited with the Clerk, and he then would have them forwarded to the commission. Is this the wish of the hon. member, rather than actually tabling the documents?

Mr. Stefanson: That is what I want. I want to deposit them with the Clerk.

Mr. Robert Simpson (Churchill): In taking part in this debate, I wish first of all to say that I am in full agreement with the system of having an independent commission in charge of the very complicated work connected with any necessary redistribution of the various electoral districts or ridings of our country, and I might add that the party I support is also in full support of an independent commission to do this particular job. In saying this, I do not agree completely with the manner in which the commission has been selected.

I wish also to pay some measure of tribute, Mr. Speaker, to the work performed by the members of the Electoral Boundaries Commission for the province of Manitoba, who I believe were confronted, as were members of other provincial commissions with an extremely difficult task.

Redistribution of electoral boundaries is a very controversial subject at any time and is one that is certain to result in protracted argument, regardless of who may be empowered to determine new boundaries. While I pay tribute to the efforts of the commission for the province of Manitoba, I do have several strong arguments against their decisions to date. I therefore strongly suggest that they be prepared to review again any suggestions put forth in this debate before any final decision is made. This procedure was followed to a small degree at the conclusion of public hearings which were held in various parts of the province last summer, and at that time some minor changes were made in relation to the original considerations of the commission.

I would respectfully suggest, Mr. Speaker, that the commission give serious consideration to the creation of six electoral districts in the metropolitan area of Winnipeg, with these six electoral districts being entirely urban. I would then suggest that the balance of the province be divided into seven electoral districts.

I am sure that all Manitobans realize that the most northerly electoral district in the province, which in this case is the riding of Churchill, must of necessity encompass a much larger area than any of the other six ridings outside metropolitan Winnipeg, and this is purely and simply a matter of having to encompass within its boundaries sufficient population to meet at least the minimum population requirements as laid down in the terms of reference of the commission.

Now, while recognizing the fact that the electoral district of Churchill of necessity must be considerably larger than the other rural ridings, I suggest that there are a number of very valid reasons why the fullest possible consideration should be given to keeping this northern riding as compact as is humanly possible. It is my intention to present these suggestions at this time.

The first point I would like to bring to the attention of the commission is that under present redistribution plans the electoral district of Churchill will be by far the largest electoral district in Canada, within the provinces, comprising over three quarters of the entire area of the province, and this is far from necessary.

Despite the fact that we who live in the north, and that seems to include everyone who lives north of the northern extremity of Winnipeg's international airport, are quite accustomed to extensive travel, and despite the fact that if given sufficient time a person can visit every nook and cranny in the entire province if necessary, I do have many reasons for suggesting to the commission that they keep the northern electoral district as compact as they can.

• (5:10 p.m.)

This can only be done by coming just far enough south to get into the handiest pockets of population. The boundaries which existed during the last five federal elections did just that. I wish to bring to the attention of the

commission that within the boundaries of Churchill riding as established during the last five federal elections there resided 54,952 people, according to the 1961 census. This is almost 2,500 more than the minimum requirement for any electoral district. The boundaries at that time comprised some 171,000 square miles. The newly suggested boundaries will add a further 20,000 square miles of area, while adding only 600 people to the over-all population.

Granted, there is a population switch whereby some 15,000 persons are removed from the riding, while some 15,600 were added. However, in the process an area of approximately 2,500 square miles is removed and an area of 20,000 square miles is added.

Someone might say that a considerable amount of this new territory is water. To this I would answer that when a representative charters an aircraft to visit his constituents the price is the same to fly over water as it is to fly over land, and it takes just as much time. It was not necessary, from the point of view of population or otherwise, to add this additional 20,000 square miles to Churchill riding.

Throughout the years the area removed has had a common interest with the rest of Churchill riding. On the other hand the area which has been added has always been more closely associated with the region to the south. It is known as the interlake area, and the interests of the people who live there are, as I say, associated with the area south to Winnipeg and southeast to Gimli and Selkirk. I have had friends in this area for many years and I know of their interests along these lines.

Because of the size of Churchill riding as it existed during the last five federal elections, it has been very difficult for political parties to keep their organizations functioning in a proper and interesting manner, mainly due to the difficulty of arranging meetings as often as would be desirable. People in this riding are of necessity obliged to travel 700 miles and more to attend constituency organization meetings. If the new boundaries which have been suggested are put into effect, people who may not wish to fly will be obliged at various times of the year to travel 1200 miles or even further to attend such meetings. This is not a healthy situation.

Now I come to a subject which I strongly feel is a most important one, and that is our native Indian people. Here is a group of people with whom I have been in close contact for a number of years. I have had scores of meetings with them and I have spent many days visiting with them on their reservations and in their homes. I am sure anyone who knows these people will agree with me that they are very interested in writing to both their federal and their provincial representatives and in having their representatives visit them. We as Canadians must give all the attention we can to the long struggle of improving the lot of these people and this can only be done through close association with them.

During the last five federal elections in Churchill constituency there were 17 Indian bands living on widely scattered reservations with a total population of over 14,000. In the area which the commission suggests should be added to Churchill riding there are nine more Indian bands, with a total population of over 6,300 people. Surely the commission does not believe it is fair to say to these people, who so earnestly need whatever understanding we can give them: You will have one person to represent more than 20,000 of you, despite the fact that you reside on 26 reservations scattered over an area comprising three-quarters of the province of Manitoba. Incidentally, these 20,000 Indian people make up more than two-thirds of the native Indian population of Manitoba.

I do not know, Mr. Speaker, whether the commission followed closely the population figures of the 1961 census or whether they merely ignored the relative rates of population growth in any particular area. The population of the northern part of the province has been increasing rapidly. As an example I would point out that according to the 1961 census the population of the local government district of Mystery Lake is recorded as 3,449 people. This local government district is now the townsite of Thompson, Manitoba and town records show there are presently more than 10,000 people living there. So it becomes quite apparent that there was no need whatever to enlarge to such an extent an electoral district which was already the second largest in Canada within the provinces.

The north has been ignored for too long. This is just one further proof that those who do not live in the north know little or nothing about conditions there. A graph showing the relative population increase in Thompson alone would make it clear that there were 7,514 people residing there in 1963, that there were 7,807 in 1964 and over 9,000 in 1965. I might add that this was pointed out clearly to

to the office of the census division of the Dominion Bureau of Statistics in 1961 by the resident administrator of the local government district of Mystery Lake. At the same time as preliminary figures for the 1961 census were showing a population for this district of 3,336, an official local census established that there were in fact more than 7,000 people living in the immediate area. This is one further example of how unreliable some of our census figures really are and it shows how little attention is paid to the needs and requirements of the people who live in the north.

I strongly suggest that the commission should study this debate. I would respectfully ask that they check very carefully the points which have been made, before reaching final decisions.

Mr. R. E. Forbes (Dauphin): Mr. Speaker, my purpose in taking part in this debate is to compliment the Electoral Boundaries Commission on its good judgment in giving recognition to the community of interests of the electors of the Dauphin federal constituency, and on the proposed boundary extension to include the area known as the Swan River valley. The Dauphin federal constituency, together with the proposed extension, is one of the most highly diversified agricultural areas in Manitoba. Maybe at this time I should indicate the interest that the residents have in common.

• (5:20 p.m.)

Within the framework of the proposed boundary alteration we have a large number of beef cattle ranchers and a number of the best dairy herds in the province. We also have fur farmers, turkey raisers, egg and poultry producers, and honey producers. We have a large fishing and lumber industry at lake Winnipegosis. In addition, we produce considerable quantities of wheat, oats, barley, flax, and during the last few years have included rape and mustard seed. Many of the farmers are specialists in the production of registered grains and forage crops. Also we have a large tourist industry that includes the whole area from McCreary to Swan River.

It is one of the most cosmopolitan areas in Manitoba. Settlement began about 1890. The first settlers were of British and French origin, emigrating from Ontario and Quebec, followed by a large number from the Ukraine, Poland, Holland, Germany, and Iceland, bringing with them their cultures and traditions which have become part of our way of life.

The proposed constituency is well located geographically, and can be served conveniently through a network of highways and municipal roads by political organizations, chambers of commerce, churches and farm organizations that have been working together for the advancement of their community since the creation of the Dauphin constituency in 1903. To my knowledge residents of the Swan River area have indicated on numerous occasions a preference to be included in the Dauphin federal constituency.

I think I can summarize the community of interest of the residents of the proposed area as follows:

1. The proposed alteration is within the present Dauphin judicial district which also determines the representation on the union of Manitoba municipalities.

2. Approximately one fifth of the present Dauphin electors are included in the Swan River health, diagnostic and hospital district, and welfare services.

3. Two local government land districts are presently administered from Swan River, which includes provincial government engineering services etc.

4. Recently the school boundaries have been adjusted under the new school division plan for convenient administration from Swan River to part of the present Dauphin federal constituency.

5. The proposed extension is served by radio station CKDM and television station CKOS.

I think, Mr. Speaker, that the foregoing has indicated the community of interest of the constituents of the present Dauphin constituency and those within the boundary extension as proposed by the commission, and it is my hope that the boundaries outlined by the commission will meet with the approval of all concerned.

I should like to conclude by saying a few words with respect to the two constituencies which lie adjacent to my own, Selkirk and Churchill. Certainly Churchill is much too large. As indicated by the previous speaker, it covers almost two thirds of Manitoba. What it needs is less land, not more.

The commission could reduce this area, and also give the people in the Selkirk area a greater community of interest by putting the Selkirk constituency back in its original form with respect to that area which lies between

lake Winnipeg and lake Manitoba. This could be done with very little adjustment to the tolerance allowed under the act.

I would hope the commission would give consideration to the community of interest of the people who live in that general area. There is another feature about the Churchill constituency. If one looks at a map he can see it is broadly spaced over two thirds of the province, as has been said previously. Therefore the government might well give consideration to allowing some compensation to the member who represents that area for travelling purposes in order to enable him to cover his constituency.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, like the other spokesmen for the keystone province I would like to endorse the principle of redistribution being carried out by an independent commission. Under the circumstances I feel that the commission did the best job possible. When I use that phrase "under the circumstances," I want to make the point right at the outset that the commission which served Manitoba, as was the case with the commissions in all other provinces, was faced with an almost impossible task.

The fact that protests and criticisms have been universal from all sides of the house and from all parties indicates that there is something not functioning efficiently and properly with regard to the process of redistribution as set up under the act. I would suggest that the reason for the difficulty arises from a fundamental flaw in the act itself.

It is just two years since we debated the Electoral Boundaries Readjustment Act in this house. At that time members of the official opposition pointed out that an amendment to the act, accepted and proposed by the government itself, was going to lead to the dilemma which now confronts all members and which has been referred to at length during this extended debate. The act, as originally introduced, recommended that the two top officials of this house, the Prime Minister (Mr. Pearson) and the Leader of the Opposition (Mr. Diefenbaker), should have a role in designating at least one member for each of the provincial commissions. This was opposed.

An amendment was put forward by the hon. member for Winnipeg North Centre (Mr. Knowles). It was taken up by the government, and I recall that the debate on that point waged fast and furious over a period of some two days. The reason for the government agreeing to change the legislation was because of the protest made by the hon. member for Winnipeg North Centre that redistribution should be taken out of politics.

I think what he meant to say was that it should be taken out of partisan politics because it is obvious from comments made here today, and on other days, from the Minister of Agriculture (Mr. Greene)—up or down—that in attempting by that amendment to withdraw the process of redistribution from the realm of partisan politics it was withdrawn entirely from the realm of politics.

The people who are knowledgeable in this field, having been excluded by the act itself, now have to resort to this unsatisfactory indirect method of bringing their own ideas before the independent commissions. It is almost like a case of one good custom corrupting the whole world. The act was a good act as it originally stood, and I think we will not be able to resolve this dilemma until necessary amendments are made to it which will make it possible for politicians to play an integral part in the process of redistribution, rather than working outside the official process as we are doing at this moment.

• (5:30 p.m.)

After all, politics is a noble and an honourable profession. Politics is a science, it is true. Political scientists have a role to play, and demographers have a role to play in this whole job of redistribution; but politics is also an art. I am sure hon. members will agree that in order to become an accomplished artist in any line of endeavour, whether it be in the field of music or in the field of politics, you have to have considerable experience and practice. Having made that point, which I believe is a fundamental one, I do hope that some five or six years hence—because this whole matter has been delayed to the point where we are on the eve of a new decennial census and a new redistribution—this fundamental flaw will be remedied in amendments to the act.

No amount of skill, no amount of care and concern by the commissions as presently constituted, will avoid the problem which has led to the extended debate in this House of Commons. There is another suggestion I should make in this regard. As I recall, it was the Conservative party which first put forward the proposal for an independent commission. Our original concept was that we have a single commission which, on the basis

of broad experience would be able to apply this experience to every province. As I have listened to the discussions of the representatives from other provinces, I am sure this idea also has merit, because the arguments and the complaints have been the same; the criticisms have been the same, and I feel that the original idea of one single commission has considerable merit.

Coming to the specific problems of Manitoba, I think that these have been outlined in the earlier speeches in a very reasonable and responsible manner. The cynical attitude is to suggest that members of parliament are complaining because of selfish vested interests, and that we are concerned with this matter of redistribution for the sake of self-preservation.

I think it has been demonstrated by the speakers who have already taken part in this discussion that this is the furthest thought from their minds What concerns Manitobans, as it concerns members from other provinces, is the failure of the commission to make maximum use of the provisions of section 13 of the present act, which makes it possible to take into consideration what one might call the intangibles which can be understood and appreciated only by the political practitioners themselves.

I do not need to repeat the arguments. I support what has been said by the hon. member for Selkirk (Mr. Stefanson) and the hon. member for Churchill (Mr. Simpson). Speaking on behalf of my own constituency of Brandon-Souris, I may say that we seized the opportunity to make representations before the commission. In order to ensure that there would be no personal interest or selfish or vested interest involved, I refrained from making the presentation myself. We had a distinguished member of the legal profession, Mr. James Doak, appear before the commission on behalf of the Brandon-Souris constituency. He spoke entirely from the standpoint of the geographical considerations, and the considerations of economic and social cohesion, which ingredients are necessary to the sense of community, which of course must exist if we are going to have a reasonable basis for redistribution. In making this point pertaining to the constituency of Brandon-Souris he also took into consideration, and made the point to the commissioners, that any change in the boundaries contemplated for Brandon-Souris which he recommended were designed to deal with the fundamental problem of Manitoba, that is ease the geographic problem that has been mentioned by the hon. member for Churchill this afternoon.

In Manitoba we have a population imbalance to which I shall refer in just a moment. The particular anomaly in my constituency to which I should like to refer is the elimination of the eastern end of the present Brandon-Souris constituency involving communities such as Killarney, Ninette, Donrea, Hilton, and Holmfield. Here is a part of southwestern Manitoba which over the years economically, geographically, legally, and in all sociological respects has regarded itself as a part of the southwestern Manitoba community. With the boundaries which have been proposed by the commission, this part of southwestern Manitoba now will become part of what we refer to as south central Manitoba. With this area it has no community of interest whatsoever.

I just wish to bring a few points before the house this afternoon, and by this means bring them once again to the attention of the commissioners who will be reviewing this debate. I feel these commissioners are responsible men who did the best job possible within the limitations of the act. As the hon. member for Selkirk intimated, they were all drawn from the city of Winnipeg, and that very fact alone would be a handicap, because with all due respect to the city of Winnipeg I do not think commissioners or representatives from that area really can appreciate the fundamental problems which exist in the rural part of Manitoba.

These are the points then which once again I should like to bring to the attention of the house and these gentlemen. The market area for southwestern Manitoba includes these communities which are going to be eliminated in the redistribution process. The centre of the market area is Brandon. Brandon is the only other substantial urban area outside the city of Winnipeg, and over the years it has become known as the wheat city of the west; in other words, it is an agricultural community. But more than being an agricultural community, as a result of recent economic changes and advances it now has become the centre for industrial development in the southwestern corner of the province. In the last four or five years the government of the province of Manitoba has sponsored the regional development concept of economic development, and the regional area covered by this concept embraces the part of the

Brandon-Souris constituency which now is being removed by this rather drastic redistribution surgical process.

• (5:40 p.m.)

As a matter of fact, at this very moment an important body is in the process of being organized, to be known as the Westman Development Corporation, which will draw together all towns and rural municipalities in this area to co-ordinate an effort to encourage the development and diversification of industry.

I am sure the commissioners, as dedicated to the task as they were, had no knowledge of these economic developments that are taking place in that area. They were given the power under section 13 of this act to take these important factors into consideration, but I do not believe they did to a sufficient extent.

Communication is obviously basic to any sense of community, and I point out again that the city of Brandon is the communications centre for this whole area. The Brandon *Sun* is the daily paper which is read by the citizens of this area. It is interesting to note that the one newspaper which raised the strongest protests about redistribution as it has been proposed by the commissioners was a weekly newspaper in this area, the Killarney *Guide*.

During the period when the commission travelled throughout the province hearing representations and suggestions about possible changes, the Killarney *Guide* published several editorials which indicated that the people of this area were not happy with the commission's contemplated changes.

The mass media of radio and television covering this area is also concentrated in the city of Brandon. The entire road pattern in the area is designed to bring southwestern Manitoba together. I cannot refer to rail transportation, because it has almost been eliminated, but the bus pattern is certainly designed with the idea that this area is a separate community.

At the present time there is an economic upsurge in southwestern Manitoba. New industry has been encouraged by the area development plan of this government to locate there. All these things are vital to the fundamental community concept. Next fall, for example, a $30 million fertilizer plant will be opened in Brandon which will have a dynamic impact throughout the whole area.

It is vital for the community progress of southwestern Manitoba that the present constituency boundaries be maintained and, to go one step further, be enlarged. This brings me to the crux of the matter so far as the problem raised by the hon. member for Churchill (Mr. Simpson) is concerned. It is beyond understanding why the population base for the new constituency of Brandon-Souris has been reduced to 62,000. At the present time it stands at 69,000. This is the only other urban area in the province of Manitoba, aside from Winnipeg, which can serve as a counterbalance to one of our major demographic difficulties. That is, the concentration of one half of our population in one huge urban centre, the city of Winnipeg. Instead of recognizing this important sociological factor, and instead of recognizing that the Brandon-Souris area is another urban centre which is developing rapidly and which should be placed in a population category as an urban centre with broadened bounds, the commission has reduced the population to 62,000, only 4,000 greater than the population of the constituency of Churchill.

The constituency of Lisgar is strictly a rural constituency, but it will have a larger population than the riding of Brandon-Souris. That indicates that the powers given the commission under section 13 were not taken into consideration by the commissioners.

The population of the Brandon-Souris riding should be stabilized at 70,000 in view of the current economic development trends which I have outlined briefly. By the time another redistribution takes place, some five or six years hence, the population will have increased tremendously. In order to maintain a proper balance in population the Brandon-Souris constituency should include Killarney and Ninette, and the other areas to which I referred, and at the same time should retain the new area on the northern boundary. This will make it possible for the commissioners to come to grips with the dilemma presented by the huge geographic expanse of the constituency of Churchill. The constituency of Churchill should be given the maximum benefit of the 25 per cent tolerance. There is no logical reason why its population should be as large as the population of the Brandon-Souris riding.

I conclude as I commenced by saying the commission has done an excellent job within its terms of reference. I hope that by the time another redistribution takes place, it will be

possible for politicians who have intimate knowledge of the problems, to become directly involved in this process, obviating the necessity of absorbing the time of parliament in an attempt to deal with them in an indirect manner. If the officials of the House of Commons such as the Prime Minister and the Leader of the Official Opposition could, as was the original intention, assist in the function of redistribution, I believe this would be a big improvement on the provisions, of the act as they now exist.

Mr. Ed. Schreyer (Springfield): Mr. Speaker, because the house will have to sit beyond the normal adjournment hour I will try to be brief. I begin by saying that I accept the premise that this parliament took a step forward toward electoral reform when it passed legislation at the last session setting up an independent Electoral Boundaries Commission. The work of that commission across Canada has been the subject of criticism. That is to be expected because the adjustment or redrawing of constituency boundaries is bound to cause some amount of dislocation in past patterns of thinking in respect of political organization. In past years whenever redistribution of a political nature was carried out by committees of this house, there was anguish and screams of protest to an even greater extent than has been evidenced in the house in the past three days.

• (5:50 p.m.)

Therefore, while I endorse the concept and the legislation setting up these independent boundaries commissions, I had hoped the Electoral Boundaries Commission in Manitoba would have done a somewhat better job, at least in certain particulars. I wish to refer to some of these particulars with regard to which I feel the commission did not take into sufficient account what seem to me to be certain of the regional entities or patterns of trade, if you like, and so on.

It seems to me that the boundaries commission should have taken into greater account the following two factors, one of which has already been mentioned by the hon. member for Selkirk (Mr. Stefanson). This is that the interlake of Manitoba is and ought to be considered as a regional unit and, as was also said by the hon. member for Selkirk, in view of the fact that there is at present operating in the interlake an ARDA program covering most of this area, it is indeed unfortunate that this program will now come within the interest of two and possibly even three members of parliament. It would have been much better had the area been allowed to remain one constituency.

The second factor of which I had hoped the commission would take greater account is that the area of eastern Manitoba, that area lying east of the Red river and east of lake Winnipeg, should be regarded as comprising two rather distinct regions. One region east and north of the city of Winnipeg is made up of several rural, farming municipalities, the Whiteshell area and the Winnipeg river area, and the other area south and east of the city of Winnipeg centres on the town of Steinbach. I hesitate to say too much in this regard, Mr. Speaker, because it might be said I was indulging in some political self-seeking, because it is a fact that the commission has deemed it necessary or desirable that both regions to which I have referred should be fused together into the political constituency of Provencher. Because of this recommendation of the commission, the constituency of Springfield, which I have the honour to represent at the present time, is the one constituency in the province of Manitoba that is slated to disappear not only in name but in fact.

I leave this point simply by saying that I would have hoped the commission would have seen fit to provide for the continued existence of both these constituencies, Provencher and Springfield, and if necessary in order to meet population quotas and the population tolerances laid down by the legislation, in my opinion it would have been possible for the commission to have brought the area of St. Boniface into the Provencher area, and Transcona into the Springfield area. It seems to me this would have satisfied the population requirement. However, Mr. Speaker, at this point I am under no illusion that the commission will see fit to make such a drastic rearrangement of the map which it has recommended to parliament.

With regard to the new constituency of Winnipeg-Selkirk I would point out that the boundaries of the constituency were further revised subsequent to the initial recommendations of the commission. As a result of the second revision, the proposed riding of Winnipeg-Selkirk, which will be a semi-urban and semi-rural riding, will also be the most populous of all ridings in the province of Manitoba. It is to have a population, as I understand it, in excess of 86,000 people. It strikes me as strange that a semi-rural riding

should also have the largest population of all ridings in the province. If it is desirable, as I believe it is, to keep rural ridings within as reasonable a range of size as possible, then the commission should have arranged the boundaries so that the most populous riding would have been urban rather than semi-rural.

It is difficult to know whether at this stage the commission will be in a position to take cognizance of all the suggestions put forward by various speakers today, but I would hope, against hope, that the commission would still be able to rearrange these boundaries so as to leave the interlake and the area surrounding it as one unit politically, as it is one unit in other respects, and proceed from there to look at the possibility of leaving two constituencies in eastern Manitoba east of the Red river, so that the work of representing, serving and servicing the area of eastern Manitoba will be more manageable. I consider it will be a very difficult task for a member of parliament to represent the proposed constituency of Provencher, for example, inasmuch as it will extend for 400 miles from north to south and over 100 miles from east to west, and even the relatively densely populated parts of that constituency will comprise an area extending about 200 miles from the south to the northernmost part of the populated area of the riding.

In my opinion it would have made much more sense to have provided for two constituencies remaining in that part of the province. In conclusion, Mr. Speaker, I wish to mention the interest and work put into an analysis of the commission's recommendation by Mr. Armour MacKay who has already been mentioned today. He provided several members from Manitoba with copies of maps, summaries of population analyses, reports, etc. In my opinion this gentleman has a very intimate knowledge of the province of Manitoba, particularly of the rural parts of the province, and has an understanding of the regional divisions that make up our province. I think it is a pity that the commission was not able to make more use of some of the suggestions he advanced during the course of the hearings.

• (6:00 p.m.)

I feel there is much more that I could say, Mr. Speaker, but in view of the time factor I will conclude now. Before doing so however I want to make one more point. If one has to choose between ridings that are partly urban and partly rural on the one hand and ridings that are exclusively rural on the other hand but which, because of that, are excessively large in size, I would opt for the former. I think that in these days a representative of the people should be qualified or should make himself qualified to represent people of both urban and rural occupational interests. It is really asking too much to expect members to represent rural constituencies that are thousands of square miles in area. It would be much better if urban areas were included in order to satisfy population requirements and thereby allowing for smaller constituency areas.

Hon. Gordon Churchill (Winnipeg South Centre): Everyone who has spoken has attempted to restrict his remarks because of the time of day and the nature of the debate. I will endeavour to do the same. I hope that this is not an exercise in futility. We realize we are not speaking to the House of Commons, but we are speaking to the three members of the commission for Manitoba, including the representation commissioner himself, who makes the fourth member. Our remarks are, of course, directed to these people.

I feel it is a rather odd situation into which we have got ourselves by way of the act that was passed by this parliament, and that this method has to be used in order to draw to the attention of the commission the objections that practising politicians may see. It is obvious from other things that have happened in the course of redistribution that the act should be amended, but I do not have the time to go into that matter at the moment.

I want to ask for your indulgence, Mr. Speaker, and that you turn a deaf ear for a minute and a half while I diverge from the exact point which is in front of us. I realize, as all do, that six years from now another redistribution will take place based on another census. I want to view with alarm for the benefit of the people in Manitoba and Saskatchewan the situation that has developed now and which will be worse in 1971. The point that I made on April 16, 1964, passed unnoticed, I think because there was certain other business in front of the public at that time. I want to make yet another attempt to emphasize this point and I realize you can only do this by repetition. I want to draw to the attention of the people of Manitoba and Saskatchewan the position into which they are being forced through redistribution, and which is going to get worse.

I want to repeat something I said on April 16, 1964, as found at page 2249 of *Hansard*. I

was talking about the discrepancy that was developing with regard to certain areas of our country. I was making an argument which I thought was very sound with regard to area representation in addition to representation by population. I do not know what effect it had. However, I went on to say this:

> Here is a major discrepancy which I think we can avoid if we give serious attention to the bill before us and make a proper amendment. Under the census of 1961 the combined population of the four Atlantic provinces was given as 1,897,425.
>
> Now under the distribution of seats to which they are entitled at the present moment they will have a combined total of 32 which gives them a quotient of 59,294. Set that against Manitoba and Saskatchewan. The combined population of those two prairie provinces is 1,846,867 according to the 1961 census—only 30,000 fewer than the population of the four Atlantic provinces. The seats to which they will be entitled under the redistribution now contemplated will be 26 and the quotient per constituency will be 71,033 which is, incidentally, higher than the quotient which has already been estimated for Canada as a whole. Here, with our eyes open, we are establishing a discrepancy between two very important areas of this country. I suggest we should guard against doing so, because why should the Atlantic provinces have 32 seats in this house while the prairie provinces of Manitoba and Saskatchewan with a population almost the same have only 26? Immediately one finds a variation of six seats as between two of the great areas of Canada. This situation is one which should be examined.
>
> Then, as has been pointed out, we have a somewhat nebulous protection, which I think has been mentioned, for the provinces out there in the absence of a senatorial floor. So by 1971 it is conceivable that Manitoba and Saskatchewan representation could drop from 26 seats to 20 and that the Atlantic provinces would then have 31.

Instead of having a discrepancy of just six seats there will be a discrepancy of 11. That is only one instance where the act has to be reviewed and amended for the future in order that we may not get too far out of line between the various areas of our great country.

Mr. Knowles: Would the hon. gentleman permit a question?

Mr. Churchill: Yes.

Mr. Knowles: Naturally I have followed with interest his point today, as I did a year ago, but may I put to him this question. Is it not the British North America Act which would have to be amended to meet this point, and might it not be worth his while to press for such an amendment fairly soon?

Mr. Churchill: Yes, thank you; I should have said the British North America Act.

[Mr. Churchill.]

Manitoba members will perhaps join together, along with Saskatchewan members, to see that this is done.

I do not think it is necessary for any of us to say that we are in general agreement with the principle of independent commissioners. We said all that two years ago and are still of the same opinion. We objected then to the method. We objected to certain aspects of the bill. We had a good debate in April of 1964, and then later on in October and November, and we should have taken a little more time, but were under quite a bit of pressure in that year.

I respectfully draw to the attention of the commission that although they called the meetings in Manitoba for the month of September, and did so properly by advising us in the month of July that the meetings to hear representations would be held in September, it is rather odd that when the election was unexpectedly called in that month the commission did not deem it wise to postpone their hearings, especially in view of a matter as important as the redistribution of seats, which affects elections. In the midst of the election campaign in the month of September, I for one had no time to make representations to the commission; I had no time to study the problem and present a proper case, so I did not appear.

• (6:10 p.m.)

The commission held its hearings and then continued with its findings. If this occurs in another period when redistribution commissions are sitting, and an election is unexpectedly called, provision should be made for a postponement of those hearings so that people who are actively engaged in political matters might have their voice heard. Therefore, I regretfully raise that objection.

I notice in the commission report that they are careful to say that although certain maps were put before them by the representation commissioner, they found those helpful as a guide but did not use any of them, as suggested, in the preparation of the proposals of the commission. They were used as a guide, and it was a bad guide. I saw those maps in 1964, or earlier, for Winnipeg South Centre, the area I represent. I raised an immediate objection then because the representation commissioner with his staff had cut off one-third of that constituency. Everything had been worked out on a representation by population basis. I pointed out at that time that of all the constituencies in Canada I thought

Winnipeg South Centre was the one which met the quotient before the interesting exercise with regard to redistribution commenced. I said: "Why take a constituency which already meets the quotient? Why lop one third off it?" I saw that map in the early stages, yet, the commission map follows it very closely. Although they perhaps did not use the maps presented to them by the representation commissioner, they certainly used them as a guide. I raise that as another objection.

Representation by population was a theme of our debate in 1964; but we hedged it around with tolerances. We said: You do not have to go entirely on the basis of representation by population. You must make allowances for a community of interest, boundaries, rivers, lakes, and so on. Yet, the commission for Manitoba has got out a neat little summary, which I have here, showing the urban constituencies to be all about the same. They seem to show that they have been made on the basis of representation by population, which concept has been followed as closely as they could follow it. St. Boniface, Winnipeg North, Winnipeg North Centre, Winnipeg-Selkirk, Winnipeg South and Winnipeg South Centre are all in the neighbourhood of, say, 82,000. That looks very neat on paper. But, in order to achieve that, they had to carve up old, established constituencies.

Winnipeg South Centre was established in 1924, and for 42 years has managed to get along. Winnipeg South has a much longer history than that. I would have thought that the commission would have retained the central portion of these old established constituencies, and made their modifications out in suburban areas of the city where the growth has been very rapid. Why cut the central core out of a constituency that has been in existence for 40, 50 or 60 years? Why not start from the known and move to the unknown? I said that in April, 1964, as reported at page 2271 of *Hansard*. I entertained the fond hope then that the representation commissioner and the provincial commissions would read what was said in the debates in this house that year. I wondered why they did not weigh some of the factors that had been raised. They may have done that, but if they did, they have rejected them.

I am going to read what I said at page 2271 of *Hansard*, for April, 1964. I quote:

> Perhaps there is another approach. I do not know what it is in the mind of the commissioner who is going to be the co-ordinator. I think the approach should be from the known to the related unknown; that is, to take the constituencies as they are, you see how closely they come to the quotient that is set and you leave unchanged just as many as you can because of the historic association with so many of our constituencies. Then, you gradually work your way to the point where you approach the quotient for your province, but at the same time taking into account whatever tolerance is permitted. Of course, my view of that is that there should be a wide discretion in the hands of the commission.

That is the suggestion I made then, and I think it should have been applicable right across Canada: You retain the older portions of a constituency and make your modifications where new development has been going on. There was plenty of leeway allowed to the commission on the tolerance and on the increase in population following the 1961 census.

I have been told—and this is secondhand—that some of the commissions have ignored the steady increase in population since the 1961 census and have said: We are bound by the act, which tells us to go by the 1961 census. Well, we did not have time to write into the act all the modifications which, perhaps, we should have done. But when we were debating the issue, time and time again we raised the question: What about increases in population following the 1961 census? On page 2248 of *Hansard* hon. members will find that when I was talking about this matter I said:

> This is a one-shot effort by the commissioner. We are not making provision for a review of the constituencies in two or three years time, yet all of us realize how quickly suburban developments can be put up in this country, and how quickly thousands of people will move into a certain area.

A first class example of this was given today by my hon. friend from Churchill (Mr. Simpson) who talked about Mystery Lake, now known as the city of Thompson, which the census showed as having a population of only a few thousand, though the population today is now in the region of 10,000. This should not be ignored by the commission.

After I had made the statement I have just quoted, the Minister of Transport (Mr. Pickersgill), the member of the government who was piloting this bill through the house, had this to say:

> Would the hon. gentleman permit a question? On June 1 each year the Dominion Bureau of Statistics publishes estimates of population. Does he think that a commission, in working out the tolerance, should take into account the growth which has taken place since 1961?

I replied:

> I think that matter should be seriously considered by the committee in view of the fact that the

findings will be made four years after the last census.

The Minister then commented:

I merely asked the question because that is what I thought the hon. gentleman was driving at, and I agree with it.

I underline—and I wish I could underline in *Hansard*—that last phrase "I agree with it". That, sir, was the government spokesman, speaking on behalf of the government of this country and agreeing with the proposition I was putting forward, that the commission should take account of increases in population subsequent to the 1961 census.

It does not appear to us that this has been done. Everyone who lives in a city knows those areas which are increasing rapidly in population. I am told that at the western end of the constituency of Winnipeg South Centre, bordering on St. James, Assiniboia had a population of 6,000 at the time of the last census, but that the figure is now rapidly approaching 20,000. Has the commission taken any account of this?

These are the questions which I think should be seriously considered by the commissions. We appreciate the difficulty of their work. We also appreciate the fact that what they do now may stand for two or three elections, possibly longer. For this reason their work should be done with the greatest of care. In addition, I believe close attention should be paid to what active, practising politicians have to say about this subject.

• (6:20 p.m.)

None of us here has been talking from a partisan point of view. Mercifully we have been saved from that. But we are thinking in terms of the people in the areas we represent, their community of interest, and the methods of communication with those areas. We are speaking on behalf of the people, the electors.

May I conclude by saying I do not think for one minute that it is necessary for the commission to come up in greater Winnipeg with five or six constituencies, all beautifully the same size, so that there is only a matter of a thousand population to divide one from the other. It has never been that way at election time. There has always been a variation, possibly 5,000 or 10,000. It does not matter so long as it does not get too great. All these years I have never heard any complaints in greater Winnipeg about that factor, although there has been a difference in the populations of the constituencies.

I do not see why the commission could not have applied a tolerance within the city in order to make allowance for community of interest and old historical considerations. There could have been a tolerance of 5,000 to 10,000 with regard to population among the constituencies. Anyway we are going to have that discrepancy because the census of 1961, on which the commission relied, is out of date. One cannot control that situation. One cannot get constituencies that are exactly equal one to the other. I hope the commission will take another look at the city of Winnipeg and see if it cannot retain more clearly the old historical boundaries of its constituencies, and make provision, through alterations in population, for the increases which have to be applied to some of the constituencies.

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, I wish to add my voice to those that have already been raised across the province of Manitoba, and indeed across this land, with unassailable justification, in protest against the new boundaries for our federal electoral divisions proposed by the Electoral Boundaries Commissions.

Naturally enough, my own particular dissatisfaction is with respect to the changes that have been proposed by the Manitoba commission for my own constituency, that of Winnipeg South, a historic constituency date dating back to the redistribution act of 1914, more than half a century ago, when it was created.

Under the proposals of the Electoral Boundaries Commission for Manitoba, if they are implemented, my constituency of Winnipeg South stands to lose upwards of 25,000 people in municipalities and neighbourhoods whose outlook has been the outlook of Winnipeg South ever since the area was settled, and whose federal political ties have been with Winnipeg South ever since their fathers and their grandfathers began to vote.

Under the proposals of the commission, links and ties of a half century's standing are to be severed in Winnipeg South, and not merely on the political level. The ties that will be cut, if the commission's recommendations are adopted, are ties of a cultural, social and economic nature, and they are ties that run like the intertwined roots of stately trees.

I have no hesitation in suggesting that in its proposals the boundaries commission has, in Winnipeg South, defied the logic of social homogeneity, regional compatability and community of interest, flouting in some cases natural geographic lines, flouting in others natural social and economic interests. In fact, the commission's revision of the boundaries

of Winnipeg South is nothing less than a dismemberment of a body social, and it is the type of dismemberment that invites one to describe it as a hatchet job. Moreover, it is the type of job that leads one to believe it was done for one purpose and one purpose only, that of slashing the total population of the constituency, and that as far as the commission is concerned that end justified whatever crude and clumsy means it was deemed practical to employ.

How else can one explain the proposal under which the city of St. Vital will be removed from Winnipeg South, and its cultural involvement with same, and stitched on to the predominantly French speaking constituency of St. Boniface? How else can one explain the removal of the town of Tuxedo out of its natural orbit with River Heights on the south side of the Assiniboine river, and the transportation of it across that river into the constituency of Winnipeg South Centre, in direct contravention of obvious lines of social and economic interest? And how else can one explain the operation that is perhaps the most illogical of them all—the amputation of the entire northwest corner of the district of River Heights from the rest of River Heights?

In this last violation the commission would cut away a whole corner of a homogeneous residential area of Winnipeg which, in its homogeneity, constitutes the Manitoba provincial constituency of River Heights, and declare that for federal purpose it must not be allowed to be whole. The commission then takes the corner which lies, as does all of River Heights, on the south side of the Assiniboine river, and with a devastating defiance of logic adds it on to a constituency on the north side of the river. It thus tears out a chunk of a specific established neighbourhood which, at the provincial political level, is recognized as one unified community, and buries it in a constituency on the other side of the river with which it shares no semblance of a neighbourhood tie.

Anyone with any passing knowledge of the greater Winnipeg area knows that the two rivers, the Red and the Assiniboine, play a vital role in the life of that metropolitan community, and that they constitute natural dividing lines between many of the different municipalities which make up the metropolitan Winnipeg area as a whole—the Red river running north and south, and the Assiniboine running east and west.

One does not need to be an expert in sociology and the rest of the social sciences to appreciate that a river can, and usually does, constitute a fairly considerable social border. Neighbourhoods in residential areas, both urban and rural, tend to unite in a community of interest with the neighbourhoods which share with them the same side of a natural dividing line, like a ravine, a range of hills, or a river. The natural flow of social interest generally is along the same side of that natural barrier, and not across it to a community on the other side.

This is the situation, generally speaking in metropolitan Winnipeg. Although all of us are Winnipegers and Manitobans, there is no denying that social and neighbourhood alliances have crystallized—and it is natural that they should—in relation to the respective sides of the respective rivers. It is the height of illogic and absurdity in metropolitan Winnipeg for the Electoral Boundaries Commission to ignore, in fact defy, those natural dividing lines, break up neighbourhoods and forcibly transfer parts of homogeneous residential areas from one side of a river to another, as they have done in the case of Tuxedo and part of River Heights in Winnipeg South.

Critics of my stand at this point will say that I cannot then justify the relation of St. Vital in Winnipeg South, because it is across the Red river from the remainder of Winnipeg South, and therefore properly belongs on the east side of the Red river where the commission has put it, with the city of St. Boniface. But here I submit that another consideration is operative; and that is the consideration of culture and language. St. Vital may be on the same side of the Red river as St. Boniface, but St. Vital is predominantly an English speaking city, and St. Boniface, French. Moreover, St. Vital lies in the southern ambit of metropolitan Winnipeg; its historic social affiliations are with Winnipeg South and its interests are the interests of Winnipeg, not St. Boniface.

For these reasons I have no hesitation in protesting most strenuously the proposals of the commission with respect to Winnipeg South and have no hesitation in appealing to that commission to re-examine its decision. As strongly as I can I would urge that in its re-examination the commission take cognizance of those social, cultural, economic and geographic ties that are being flouted in its present proposals, and flouted without regard for logic, reason, community of interest, or

the feelings of individual citizens. I am aware that the commission faced and still faces no easy task in redrawing the Manitoba electoral boundaries, and I would not presume at this juncture to suggest that all of them should be withdrawn.

Surely even the most cursory examination of the proposed new map would convince any impartial observer that the commission has done a detrimental rather than a beneficial job inside greater Winnipeg. It has crossed every kind of natural line, separating districts and neighbourhoods which always have been united, and forcing union on communities and neighbourhoods which have little in the way of obvious common interest.

• (6:30 p.m.)

It would take very little, Mr. Speaker, to readjust the boundaries in greater Winnipeg in such a way as to fulfil the population requirements of redistribution, while leaving generally intact the communities, and the communities of interest, in that metropolitan whole that have always been knit together. Essentially, all that is necessary is some appreciation of and regard for long-standing sociological ties, and some imaginative thinking.

My basic point is this: There was a lack of mental elbow grease employed in this map drawing exercise. I can only conclude that the commission, faced with the task of reducing somewhat the population of Winnipeg South, threw up it hands at the prospect of the work involved and took the easy way out, with the resulting dismemberment, without valid reason, of an historic constituency, against all natural and logical factors.

I feel I can speak for all the citizens of Winnipeg South in saying that we do not want to lose those integral parts of our constituency which the commission would have us lose. We protest, sir, and we ask for immediate reconsideration.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in rising to take part in this discussion for a few minutes I must say at the outset that I feel I do so with two strikes against me. In the first place, I have been such a strong advocate for many years of the principle of redistribution by an independent body, someone might say it is inconsistent with that position to make suggestions to an independent body once it has done its job. However, the legislation as we passed it in this House of Commons provides this opportunity for us to make suggestions, if we wish to do so. I rise therefore to make just one suggestion.

[Mr. Sherman.]

The second strike against me, and I feel I had better put it on the record before someone else draws it to my attention, is this. The one small change which I should like to suggest involves an area which, over the years, has been voting overwhelmingly for the present member for Winnipeg North Centre, and it would seem, therefore, that I might have something less than complete objectivity regarding this area.

Mr. Dinsdale: Never, Stanley.

Mr. Churchill: We would be the last ones to suspect that.

Mr. Knowles: We are hearing interjections from members of this house, all of whom have protested their objectivity. I suppose that is why they are prepared to accord me the same degree of disinterest.

Before I reach the one point I wish to make I should like to pay my tribute to the work that has been done by the Manitoba commission. Indeed, I go back one step and say that I was pleased at the appointment of the members who make up that commission. It seems to me the positions they hold make this commission some kind of a model.

The chairman is Mr. Justice Guy of the court of appeal of Manitoba. The deputy chairman is Dr. Hugh Saunderson, president of the University of Manitoba, and the third member is Mr. Charland Prud'homme, clerk of the Legislative Assembly of Manitoba and the deputy provincial secretary. The fourth member, of course, is the representation commissioner, Mr. Nelson Castonguay. I might point out that the first three are also members of the redistribution commission for the province of Manitoba, although Mr. Justice Guy has replaced one of the other judges of the court of appeal on that commission.

I believe these men did a good job, and I do not subscribe to the suggestions I have heard from some quarters that the first three were pushed around by Mr. Castonguay. That could hardly apply to Mr. Justice Guy, Dr. Saunderson or Mr. Prud'homme. I recognize the right of members to feel dissatisfied with some of the boundaries that have been drawn, and I think if I were drawing the map I could produce one which, to my satisfaction, might be better. But generally speaking, bearing in mind that they had to provide for the loss of one seat in Manitoba and had to take into account the representation by

population ideal, I think the commissioners did a pretty fair job. I believe they will pay attention to the points made in this debate, and when they have done this and brought back to us their final map, I am sure all of us from Manitoba will accept it as being one arrived at after the due processes that we provided in the legislation.

Now, Mr. Speaker, may I come to the one point I should like to make. As I say, I am hesitant to do so for the reasons that I gave, but I feel I must, out of loyalty to the people of the town of Brooklands. Let me put it this way. I realize, as others do, that I am speaking not to those who are in this "crowded" House of Commons, but rather to the members of the commission. The town of Brooklands, through its council, made an official presentation to the commission when it met in Winnipeg last September I would simply ask the commission to take another look at the point made by the town of Brooklands. The town to which I refer occupies one square mile. I hesitate to talk about one square mile after listening to the speeches of the hon. member for Dauphin (Mr. Forbes), and the hon. member for Churchill (Mr. Simpson), and others who talked about many thousands of square miles. At any rate, this one square mile is right at the west end of the city of Winnipeg and adjoins a community known as Weston. It just so happens that the people of Brooklands and the people of Weston have interests which are very much together. They work in the same places, the C.P.R. Weston shops, Dominion Bridge and plants of that sort. Their interests are common. They attend the same churches. The fact that the legion in that area is known as the Brooklands and Weston branch of the Canadian Legion emphasizes the fact that it is an area of common interest.

This one square mile has been in a Winnipeg constituency from the beginning, as it were, and to take it out of that urban area, put it into the riding of Portage and make it part of a large rural riding in which it will become lost, is something that the town council of Brooklands felt it had a right to complain about. May I get over the difficulty that I felt about speaking in a way that might not seem objective by pointing out that the town council of Brooklands, when it made its representations to the commission did not say, "Leave us in Winnipeg North Centre." I wish they had and I should like them to stay in Winnipeg North Centre. The town council said, "Leave Brooklands in an urban constituency." This square mile adjoins Winnipeg North, Winnipeg North Centre and Winnipeg South Centre. I have no hesitation in going all the way with the town council of Brooklands and saying, at it did, that it really does not matter, in terms of objectivity, which of these city ridings the town of Brooklands is put into. But I do agree with the town of Brooklands and its town council that it ought to be in one of these urban areas.

If perchance it is put into the riding of Winnipeg North Centre as newly drawn, that will of course add a population of about 4,000 or 4,500 to the proposed new Winnipeg North Centre. That is all that is involved, a population of between 4,000 and 5,000. At the moment Winnipeg North Centre has the largest population of any of the ridings in Winnipeg proper. The new Winnipeg-Selkirk would be larger, but Winnipeg North Centre has the largest population of any of the four ridings in Winnipeg itself.

• (6:40 p.m.)

I point out that the constituency of Winnipeg North Centre does not have land area in which growth is likely to take place, as is the case in Winnipeg North, Winnipeg South and Winnipeg South Centre. I suggest that if Winnipeg North Centre is made a little larger by putting Brooklands in it, this will be overcome probably at the next census. Then, instead of Winnipeg North Centre being the largest of the Winnipeg seats, it will probably be the smallest. I welcome the nodding of the head by my friend and next door neighbour, the hon. member for Winnipeg South Centre (Mr. Churchill).

However, if the commissioners do not wish to have that large a discrepancy in the city of Winnipeg, even for a short time, some other area could be taken out and put in Winnipeg South Centre, or perhaps there could be an adjustment in favour of Churchill. The commissioners are more aware of the adjustments that are possible than I am, and they can make easily the change if they accept the point—which of course I leave to them.

Mr. Churchill: May I ask a question?

Mr. Knowles: Certainly.

Mr. Churchill: I ask the question in order to support the hon. member in the argument he is making. Does he agree with what I said earlier that, so far as the people of Winnipeg are concerned, they have not been unduly

alarmed over the fact that in years gone by, and at present, there has been a substantial discrepancy as between our constituencies, and would not be too much concerned if the constituency of Winnipeg North Centre were larger for the time being than the other constituencies?

Mr. Knowles: In answer to the question, I may say I think that is true. There would not be great concern over a discrepancy a little wider than is now the case, or of the extent of which my friend and I have been speaking. In view of the fact that we in this house argued rather strongly in favour of representation as closely as possible to population, I do not think any discrepancy should be large. However, the kind of discrepancy about which the hon. member and I are talking is not a very large one.

I wondered when my friend got up whether he was going to refer to some of the areas that we have been trading back and forth. There is one little triangular area that used to be in Winnipeg North Centre, and when it was I carried it handily. It was moved into Winnipeg South Centre some years ago, and to my surprise my friend carried it handily. Now, I am to get it back and I just hope the plate will again be reversed.

There is no point in carrying on this discussion any farther. I hope I have overcome, as I say, the charge that I might be personally concerned in this by supporting the proposition the town council of Brooklands made to the commissioners, that the commissioners consider putting that square mile, not into a far-flung rural riding where the people feel they would be lost, but rather into one of the city ridings to which it is adjacent. I join with those who have already spoken in the tribute that has been paid to the work done by the Manitoba commissioners. I hope when the Manitoba map comes back, what is already a good map might be just a little better.

Mr. W. H. Jorgenson (Provencher): I certainly do not want to impose on the generosity of the house to any extent, nor do I want to cover the territory that has been covered by many members who have spoken before me. I simply want to add my voice to the protests that have already been made. So far as the riding of Provencher is concerned, it is going to take a great deal more than even the clumsy effort of the commission to destroy the historic name and riding of Provencher. This was the earliest riding in the province of

Manitoba and was first represented, although the representative did not sit in this house, by the very famous Canadian, Louis Riel. His name does appear on the scroll in the Clerk's chamber, even though he was not able to take his seat in the House of Commons.

I should like to sum up my remarks very briefly by saying that, so far as redistribution is concerned, I would much rather be carved up very cleanly and deliberately by a political opponent who knew what he was doing, and I knew what he was doing, than the clumsy, hacking to death that has taken place at the hands of this commission. I do hope they will listen to some of the representations that have been made by members from Manitoba and other parts of the country, and take into consideration some of the cultural, economic and communication lines that exist within the various areas. We think a much better job can be done and we hope that they will attempt to give consideration to the arguments that have been put forward today.

Mr. Deputy Speaker: Does this complete discussion on the redistribution of seats in Manitoba?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The house having considered this objection it will be the duty of Mr. Speaker, pursuant to section 20 of the Electoral Boundaries Readjustment Act, to refer the report of the boundaries commission, together with a copy of the objection and also a copy of the debates of this house, back to the commission for reconsideration thereof.

On Wednesday, April 27, when the house was discussing redistribution, two objections were brought up for the proposed electoral district of Dorchester and the proposed electoral district of Temiscouata. At that time it was agreed that these two objections should stand and be taken when all other objections had been completed.

The house will now consider objection No. 19, the text of which is to be found at page 34 of the pamphlet.

On February 17 last a notice of objection in the form of a motion was filed with Mr. Speaker in the following terms, namely:

Proposed Electoral District of Dorchester:

That, pursuant to section 20 of the Electoral Boundaries Readjustment Act (Chapter 31, Statutes of Canada 1964-65), consideration be given by this House to the matter of an objection to the provisions of the Report of the Electoral Boundaries Commission for the Province of Quebec, laid before this

House by Mr. Speaker on Wednesday, January 19, 1966, for the reasons hereinafter specified:

I wish to suggest the following changes to the new distribution of federal counties: That the following parishes be included in the county of Dorchester, totalling a population of 53,559: Saint-Anges, Ste-Aurélie, St-Zacharie, Louis-Joliet, St-Anselme, St-Benjamin, St-Bernard, Ste-Claire, St-Cyprien, St-Édouard de Frampton, Ste-Germaine, Ste-Hénédine, St-Isidore, Ste-Justine, St-Léon de Standon, St-Louis, St-Malachie, Ste-Marguerite, St-Maxime, St-Nazaire, St-Odilon, St-Prosper, Ste-Rose, Taschereau-Fortier, Lac Etchemin, St-Anselme, St-Bernard, St-Isidore, Francoeur, St-Agapit, Ste-Agathe, St-Patrice, St-Sylvestre, St-Apollinaire, St-Gilles, St-Narcisse, St-Henri, St-Luc.

[*Translation*]

Mr. Ian Watson (Châteauguay-Huntingdon-Laprairie): Mr. Speaker, the member for Dorchester (Mr. Côté), who was taken ill this afternoon, asked me to inform the house of his objection to the boundaries proposed for the constituency of Dorchester. Unfortunately, I was prevented from doing so until now.

[*English*]

I do not think, Mr. Speaker, there will be any further comment on the objection for Dorchester, but what happened in the case of Temiscouata and Dorchester last Wednesday afternoon was that a number of members with objections were outside the house. I was in my office and was telephoned by the party whip in connection with my specific objection at approximately five minutes to five. I gathered my papers together, came over to the house, but by the time I arrived I was too late; the house had moved from the province of Quebec to another province.

Therefore, Mr. Speaker, I wonder whether I can have the consent of the house to place on record a few comments on the subject of my specific objection, which relates to the proposed districts of Beauharnois, Chambly, Laprairie, Longueuil and Saint-Jean which was filed with Mr. Speaker on February 18, 1966. I realize that I am asking a favour of the house but I will not take any more than about three minutes.

Some hon. Members: Agreed.

• (6:50 p.m.)

Mr. Watson (Châteauguay-Huntingdon-Laprairie): For the record, Mr. Speaker, I should like the commissioners, when they read the comments of the members from each of the provinces who have taken part in this debate, to take cognizance of the objections which were made by ten members of parliament, including three of the members of parliament concerned in the five counties mentioned in this objection, namely the hon. member for Châteguay-Huntingdon-Laprairie, the hon. member for Beauharnois-Salaberry (Mr. Laniel) and the hon. member for Saint-Jean-Iberville-Napierville (Mr. Beaulieu). At least three members signed the objection, and I think I can state, Mr. Speaker, that a fourth, had he not been a member of the Privy Council, would also have signed the objection. In this area, the people of St. Lambert through their town council objected to the commission's plan. The peoples of Châteauguay; that is of Châteauguay Centre and of Châteauguay Heights, through their town councils, properly made clear their objections before the commission, which held public hearings. Also, approximately 20 municipalities in the present constituency of Châteauguay-Huntingdon-Laprairie made clear their objections to the electoral divisions proposed by the commission. Of the 20 municipalities that objected, approximately 15 did so correctly from the legal point of view, and appeared before the commission at its public hearings in Montreal, after having given proper notice. I would simply ask the commissioners when they are reconsidering, as I hope they will, all objections placed before them, that they read carefully this objection which deals with the five constituencies between the United States border, the St. Lawrence river and Richelieu.

The alternative plan as presented by the various municipalities at the public hearings last September has been revised somewhat in this objection. Nevertheless, I submit that the objection as suggested contains an alternative to the commission's plan which is more realistic, and which sticks closer to the population norm required for the province than the proposal. The most important feature of the objection is that if adopted it assures the population of this entire area of a more democratic and more equitable representation in this federal parliament.

When I went into the general objection, which was placed before Mr. Speaker on February 18, I talked of some of the general reasons for the necessity of the commission's taking into account community of interest factors, and so on. There is no need for me to go over this again tonight. I think if the commissioners read through copies of *Hansard* for the last six days, if they study them as parliament most certainly expects

them to, if they study each of the objections taken before them, take those into consideration, and act upon them, we shall be satisfied.

I am not sure that this is the point at which to raise this particular matter, but on Friday last I brought forth a motion, seconded by the hon. member for Grey-Bruce (Mr. Winkler), in which we asked the commissioners to reconsider the reports and the objections legally made to the respective commissions in the light of section 13(c) subsections 1 and 2 of the Electoral Boundaries Readjustment Act. Last Friday I withdrew the motion made at the end of the proceedings because there was some doubt whether there was unanimity of permission to introduce it on the order paper. I then gave notice of motion under private members' notices of motions and members of the House of Commons have had three days notice thereof.

I should like to state for the benefit of the commissioners that in speaking with members of all parties of the house about this motion I found, with one exception, a complete unanimity of opinion on the motion.

Mr. Barnett: Would the hon. member permit a question? I should like to ask him this: With how many members of the house did he discuss this matter?

Mr. Watson (Châteauguay-Huntingdon-Laprairie): I spoke with a representative of each party in the house. As to the number of members, perhaps it was no more than 15 to 20. But I spoke to the house leaders of each of the parties and I received an indication from them that this motion would not be objected to. On this basis I assumed they represented something near unanimity of opinion in the house on this motion.

I should like to read the wording of this motion.

Mr. Deputy Speaker: Order. I should like to point out to the hon. member that there is already before the house a notice of an objection in the form of a motion. Maybe in a few minutes the hon. member will find a more appropriate occasion on which to continue.

Does this complete the discussion on the proposed electoral district of Dorchester?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The house having considered this objection it would be the duty of Mr. Speaker, pursuant to section 20 of the Electoral Boundaries Readjustment Act, to refer the report of the Boundaries Commission together with a copy of objection and also a copy of the debates of the house back to the commission for consideration thereof.

[Mr. Watson (Châteauguay-Huntingdon-Laprairie).]

The house will now proceed to objection no. 20, text to be found on page 35 of the pamphlet. On February 17, last, a notice of objection in the form of a motion was filed with Mr. Speaker in the following terms:

Proposed Electoral District of Témiscouata:

That, pursuant to section 20 of the Electoral Boundaries Readjustment Act (Chapter 31, Statutes of Canada, 1964-65), consideration be given by this House to the matter of an objection to the provisions of the Report of the Electoral Boundaries Commission for the Province of Quebec, laid before this House by Mr. Speaker on Wednesday, January 19, 1966, for the reasons hereinafter specified:

1. That the following municipalities which share the same social and economic interests be part of the constituency of Rivière-du-Loup—Témiscouata:

Témiscouata: Saint Joseph-de-la-Rivière-Bleue, (village) Saint Benoît-Abbé, Saint Eusèbe, Saint Joseph-de-la-Rivière-Bleue (municipality), Saint Marc-du-Lac-Long, Saint Pierre d'Estcourt, Saint Elzéar and Saint Jean-de-la-Lande (Saint David d'Estcourt); part of the townships of Botsford, Cabano and Packington being without any local municipal organization.

Rivière-du-Loup: Notre-Dame-du-Portage and Saint Antonin.

2. That, for historical and geographical reasons the designation of Rivière-du-Loup—Témiscouata be retained.

Mr. Deputy Speaker: Can the Chair assume that consideration of this objection has been completed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The house having considered this objection, it will be the duty of Mr. Speaker, pursuant to section 20 of the Electoral Boundaries Readjustment Act, to refer the report of the boundaries commission together with a copy of objection and also a copy of the debates of the house back to the commission for consideration thereof.

This completes the objections on the electoral boundaries.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): As I mentioned a few moments ago, last Friday I placed on the order paper a motion under the heading Private Members' Notices of Motions for discussion on Wednesday of this week, expecting we would be having a private members' hour today.

The motion is worded as follows:

That, in the opinion of this house, the representation commissioner and the members of the commissions in each of the several provinces, while they are reconsidering the reports and noting the

objections made in the house should further consider all objections legally made to the respective commissions in the light of section 13 (c) (i) and (ii) of the Electoral Boundaries Readjustment Act (13 Eliz. II, Cap. 31).

• (7:00 p.m.)

The purpose of my putting this notice of motion on the order paper was simply to impress upon the commissioners the feeling of the house that, in their deliberations, they should take into account the population growth factors and the community of interest factors which are a feature of section 13(c)(i) and (ii).

As I said when I spoke on the general objection last week, the reason the house incorporated this section into the act was to give the commissioners the right to look into these absolutely essential factors, if an equitable redistribution were to be the result of their investigations and hearings. By accepting this motion I feel the house would underline its understanding of section 13, and underline its feeling that the commissioners, when going over the objections as they are legally obliged to do, should give further consideration to them in the light of section 13.

I realize that to move this motion this afternoon would require unanimous consent, and if hon. members are prepared to indicate unanimous consent I shall move it. Otherwise, I feel we should simply allow my words to stand on the record as an indication of what I know is an almost unanimous opinion in the house. Could I have an indication that such a motion would be unanimously supported?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Order please. I think the hon. member should recognize that when discussion was going on regarding the objections to redistribution, hon. members did make some reference to the fact that they were talking to the commissions. The Chair at this time is not prepared to ask for unanimous consent.

Mr. Winkler: Mr. Speaker, as the seconder of the motion I would respectfully request that you place the question before the house and see if a determination might be made.

Mr. Barnett: To avoid any further consideration by Your Honour of any question of order, so far as I am concerned I cannot see that, since it is six minutes after seven o'clock, it would be appropriate to give unanimous consent to revert to private members' hour and have an hour's discussion on this motion even though, again so far as I am concerned, I would have no objection to giving unanimous consent to placing the motion on the top of the order paper.

In view of the latitude allowed in respect of certain earlier remarks on this question, perhaps I might be permitted to add that I feel certain, if the motion as proposed were to come up for discussion and proper debate, there would not be anything like unanimous consent to its passage.

Mr. Deputy Speaker: There is no unanimous consent.

Mr. Winkler: A very regrettable state of affairs.

CANADIAN LIVESTOCK FEED BOARD

PROVISION FOR ESTABLISHMENT, ADMINISTRATION, ETC.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, before indicating the business of the house for tomorrow, I should like to ask the house to deal with item No. 48 on the order paper, which is a resolution asking for leave to introduce a measure to establish a corporation to be known as the Canadian Livestock Feed Board. Due to inadvertence the resolution lacks one phrase which we now are advised should be in it, if it is to be effective to proceed to a bill.

I therefore wish to ask that this order be discharged and replaced by a new order, which His Excellency has recommended for the consideration of the house. Perhaps I should add, before asking for consent, that the new order is in identical language except that it adds at the end thereof the words "plus any amount advanced to the board as authorized by the governor in council pursuant to the said measure".

If I have unanimous consent, Mr. Speaker, I would ask that the present item No. 48 be withdrawn and the new item substituted therefor.

Mr. Deputy Speaker: Due to the fact that the house agreed to sit after six o'clock for a certain purpose, I wonder whether I might ask the hon. Minister of Public Works whether it might be convenient for him to move his motion and ask for unanimous consent tomorrow.

Mr. McIlraith: Yes, Mr. Speaker; I would be glad to do that, because now notice will appear in *Hansard* of what is proposed.

Business of the House

BUSINESS OF THE HOUSE

Mr. McIlraith: I should like now to announce the business of the house for tomorrow. Tomorrow we propose to call item No. 54 on today's order paper, second reading of a bill to amend an act to amend the Combines Investigation Act and the Criminal Code; then item No. 4 on today's order paper, second reading of a bill to amend the Research Council Act; then item No. 3 on today's order paper, a resolution asking that the Houses of Parliament do approve the agreement concerning automotive products between the Government of Canada and the Government of the United States of America; then item No. 7, house in committee of the whole on a bill to amend the Bretton Woods Agreements Act. Then we would proceed with the estimates of the Department of National Revenue and the Department of Labour. That would be the business for tomorrow and Friday.

It being eleven minutes after seven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, May 5, 1966

The house met at 2.30 p.m.

[*Translation*]

COMMITTEES OF THE HOUSE

FIRST REPORT OF STANDING COMMITTEE ON EXTERNAL AFFAIRS

Mr. Jean-Eudes Dubé (Restigouche-Madawaska) presented the first report of the standing committee on external affairs, in both French and English.

[Note: Text of the foregoing report appears in today's *Votes and Proceedings.*]

FIFTH REPORT OF STANDING COMMITTEE ON BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Mr. Gérard Pelletier (Hochelaga) presented the fifth report of the standing committee on broadcasting, films and assistance to the arts.

[Note: Text of the foregoing report appears in today's *Votes and Proceedings.*]

• (2:40 p.m.)

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING FITNESS TO STAND TRIAL

Mr. J. C. Munro (Hamilton East) moved for leave to introduce Bill No. C-176, to amend the Criminal code (insanity at time of trial).

He said: Under the present law a person suffering from mental infirmity, or a mentally retarded person, has the issue of his fitness to stand trial determined before the main trial and may, in some cases, have a charge hanging over his head for years. This bill, if adopted, would enable the issue of fitness to be postponed until the opening of the case for the defence.

Motion agreed to.

FINANCE

INQUIRY AS TO SPEECH BY MINISTER

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I would ask the Prime Minister whether the speech made yesterday by the Minister of Finance in which he enunciated an economic manifesto represents anything new, or any new viewpoint, in government policy. I would also ask him whether, in view of the minister's strictures against foreign control and the possibility of the growing curtailment of Canadian independence, the government has any further steps in mind to remove the influence of United States guide lines from firms operating in Canada?

Right Hon. L. B. Pearson (Prime Minister): I can say that the minister's statement was, I thought, a clear expression of existing government policy in this field.

Mr. Diefenbaker: That is something of a generalization, since the interpretation which has been given—and I ask whether it is true—is that because the hon. member for Davenport is about to have a book published showing Canada the way—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: May I interpolate, sir, and say I congratulate the former minister on the widespread support he still has in the Liberal party.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The interpretation that has been given is that the Minister of Finance stepped in ahead to outline his own program in order to forestall the Gordon concept.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, naturally I would like to do anything I could do with propriety to advertise my hon. friend's book, but I am afraid I cannot comment on the interpretation given to the speech of the Minister of Finance and its relationship to this particular book.

Mr. Diefenbaker: It looks bad for the Gordon policies.

NATIONAL SECURITY

INQUIRY AS TO ESTABLISHMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, on Tuesday, April 5 the Prime

Minister said that he hoped to be able shortly after the Easter recess to announce the personnel and terms of reference of the commission which would look into security procedures in Canada over the past 20 years. I want to ask the Prime Minister, is he now in a position to make such an announcement?

Right Hon. L. B. Pearson (Prime Minister): Not at the moment, Mr. Speaker, but as I have already stated to my hon. friend from Medicine Hat (Mr. Olson)—and I apologize for having to repeat this statement—we are anxious to get this commission established as quickly as possible. For the last week or so I have been preoccupied with aspects of security matters other than this particular commission, but we are doing our best to get the personnel established for this commission. We will, I think, need three royal commissioners on a task of this importance and magnitude. The terms of reference have been drafted and I hope to get them before cabinet and approved for submission very shortly.

EXTERNAL AFFAIRS

NATO—OVERFLIGHTS AND LANDINGS ON FRENCH TERRITORY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Could he tell us whether there has been any communication, either from NATO or from the French government, regarding the report that overflights and landings on French territory by Canadian NATO aircraft will require a different basis of permission than has been given heretofore in the blanket agreement?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): I must say that the member for Sherbrooke (Mr. Allard) intended to put the same question as the hon. member has just put himself.

[*English*]

I can confirm that the Canadian embassy in Paris was informed by the French foreign office on May 3 that existing arrangements whereby R.C.A.F. aircraft are permitted to overfly or land on French territory in Europe, will henceforth be subject to monthly review. I have not yet had direct confirmation of the report that similar notification has been given to other NATO governments, but I see no reason to doubt it. We are, of course, examining the implications of the French government's intention to place arrangements for overflights on a stand-by basis.

Mr. Raymond Langlois (Mégantic): As a supplementary question, will this new policy undertaken by France in any way affect the different protocols signed between that country and Canada?

Mr. Martin (Essex East): Mr. Speaker, I do not wish to make a definite reply to that question at this stage until there has been an opportunity for examining fully all the implications involved.

TRADE

PROPOSED SUBSIDIZATION OF UNITED STATES EXPORTS

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. In view of the recommendations to the United States government by industry in that country for the subsidization of United States exports, a move which would have a serious adverse effect on Canadian exports, will the government advise the United States government that Canada already has an adverse commodity trade balance in excess of $1 billion with the United States, and that any move of that kind would be completely unjustified?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I think it is well known that Canada attaches the greatest importance to exports on a multilateral basis, and I think our determination to increase our exports has been made clear abroad. We have recently had an opportunity to stress to the United States government the importance of our exports to that country, and will continue to press for an increase.

Mr. Hees: As a supplementary question, Mr. Speaker, this is a move of very recent date. This is something quite separate from any other moves made in the United States. Would the minister address himself to this particular, serious situation?

Mr. Winters: Mr. Speaker, this has not become United States policy. It is simply a submission to the United States government by a group of responsible American businessmen.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question. Could the minister inform the house whether the Canadian government has pointed out to the United States administration the results for Canada if these proposals are accepted? Have they warned them of the difficulty we would face and the courses we might have to follow.

Mr. Winters: Mr. Speaker, there is virtually day to day communication with the United States government in this field. They are well aware of the importance we place on the maximization of our trade.

HIGHWAY SAFETY

TIRES—REQUEST FOR IMPOSITION OF SAFETY STANDARDS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is for the Minister of Industry. In view of testimony before the house committee in the United States yesterday, in which a government authority said that millions of Americans were travelling on unsafe tires and that the United States government intended to take action in 60 to 90 days, could the minister assure this house that the federal government in Canada will take similar action, that the population of Canada similarly will be protected, and that the safety code people in his department will study tire standards?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the government is concerned that tires on cars should be as safe as possible. I can assure the hon. member that the committee on safety standards is looking into the question of tires. Without having looked at the details of the United States proposals, at the moment I cannot give any assurance that we will copy them completely.

Mr. Grafftey: Mr. Speaker, may I ask a supplementary question. I assure the minister and the house that I am not asking for a legal opinion by the government, but is the minister now in possession of a legal opinion from the Department of Justice telling the minister whether the federal government has jurisdiction to impose safety standards on the automobile industry in Canada?

Mr. Drury: Mr. Speaker, I have not seen it yet.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

METHOD OF APPOINTMENT OF MEDIATOR IN DISPUTE

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is addressed to the Prime Minister, and is urgent by reason of the meetings of a house committee. Was Stuart Keate engaged by order in council or by some other means to inquire into the "This Hour Has Seven Days" controversy, and does he have purported powers to require the C.B.C. to hire personnel?

Mr. Speaker: Order, please. I would think this question refers directly to committee hearings in progress at the moment and might be asked more properly in committee.

Mr. McCleave: Mr. Speaker, if I may elaborate on why I raise the question at this time—

Mr. Speaker: Order, please. I understand why the hon. member asked the question. I do not think it can be accepted.

[*Later:*]

Mr. McCleave: Mr. Speaker, would the Prime Minister table today or tomorrow in this house the document which engaged Mr. Keate?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is no document. I discussed this matter with Mr. Keate personally and got his agreement to act in the way that has been announced.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question. How could Mr. Keate operate if there is no order in council giving him authority and power? Under what circumstance can a cabinet or a prime minister give an individual the right of mediation without there being any cabinet authority in the form of an order in council?

Mr. Pearson: Mr. Speaker, the terms on which Mr. Keate was asked to begin his operations have already been made public. He was asked to discuss with the parties to the dispute ways and means of bringing about a resolution of the dispute in accord with detailed terms of reference to be worked out between them.

Mr. Diefenbaker: Mr. Speaker, I ask how Mr. Keate can have any authority unless there is an order in council. A mere verbal

ipse dixit on the part of the Prime Minister or the cabinet cannot give that authority to any individual.

Mr. Speaker: I am sure the Leader of the Opposition will recognize that his question is argumentative. He is perhaps asking for a legal opinion from the Prime Minister.

Mr. R. Gordon L. Fairweather (Royal): A supplementary question, Mr. Speaker.

Mr. Speaker: The question has not been accepted, so there can be no supplementary. The hon. member may put another question.

Mr. Fairweather: May I put a question. Is it proposed that Mr. Stuart Keate be paid by the government of Canada for this mediation?

Mr. Pearson: The mediation has not yet begun. Mr. Keate is discussing with the parties concerned how best his work of mediation can be accomplished and within what exact terms of reference it can be accomplished. I will be very glad indeed to table anything that can be tabled about the modalities concerned in the matter.

Mr. Fairweather: I think the Prime Minister missed the terms of my question. Is it proposed to pay Mr. Stuart Keate for his services?

Mr. Speaker: Order, please.

Hon. Michael Starr (Ontario): I wish to address a question to the Prime Minister. Under what condition or understanding as far as expenditures are concerned did Mr. Keate take on the responsibility of negotiating this dispute?

Mr. Pearson: Mr. Speaker, Mr. Keate is discussing with the parties concerned the dispute between them, as I have said. He came from Vancouver to do this at my request. If Mr. Keate has to operate in this regard at the request of the government the necessary technicalities will be followed to make it possible for him to do so.

WATER RESOURCES

GREAT LAKES—INQUIRY AS TO ANTI-POLLUTION MEASURES

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys. I see by his smile that he knows what I am going to ask him. When can the house expect the statement by the minister with reference to the problems of water pollution, particularly on the great lakes?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): We are working on it, Mr. Speaker.

Mr. Aiken: May I ask a supplementary question. The minister has been working on it for several months. Has he any idea when we might expect some definite information?

Mr. Pepin: Mr. Speaker, the exposé on which I am working will not change anything in the present activities on the great lakes. We are just trying to bring to the attention of the public what is being done there. It is not a question of policy or decision; it is just a question of education, if you want to put it that way. These matters are rather difficult to couch on paper, but we are working on it.

Mr. Aiken: Mr. Speaker, I have a further supplementary question. I presume we have been waiting in vain for something useful.

FISHERIES

LAKE HURON—MEASURES TO CONTROL LAMPREY EELS

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I should like to direct this question to the Minister of Fisheries. Can he inform the house as to what progress has been made regarding lamprey control in Lake Huron and Georgian Bay, and are there any special efforts contemplated in this regard for this body of water in 1966?

Mr. Speaker: Order, please. I feel that this question is of a general nature and not so urgent that it cannot be placed on the order paper or discussed on the adjournment motion.

Mr. Noble: Mr. Speaker, I think this is an important question because an investigation is being conducted at this time in my area by fisheries people. I am sure the minister could answer it if you would allow him to do so.

Mr. Speaker: I think it might be preferable for the hon. member to discuss it during the debate on the adjournment motion.

AIR TRANSPORT

APPLICATION BY CANADIAN COMPANIES TO SERVE ALCOHOL

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to again put a question to the Minister of Transport which I asked a few days ago, and I do so on the same basis and in the light of certain findings made by aviation research agencies in respect of reaction time in the air under vital circumstances. Is his department making any representations or participating in connection with applications by two major air lines in Canada for authority to serve alcohol on aircraft?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, there have been some inquiries made by members of my department with regard to the issue raised by the hon. gentleman. The information I have is to the effect that there is little evidence to show that there have been any incidents endangering safety in the operations of other air lines on which alcohol is served.

NATIONAL DISASTERS

INQUIRY AS TO LEGISLATION TO ESTABLISH FUND

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as a pragmatic socialist I should like to address a question to the Prime Minister. I apologize for not sending him notice, but I received several phone calls during the last hour or so. In view of past experience in Canada with regard to disasters—and I now refer particularly to the Manitoba floods—and in light of the growing demand for some legislation regarding such situations, is the government giving consideration to bringing in legislation which supports in principle the private member's bill introduced by the hon. member for Kootenay West, which is aimed at establishing a Canada disaster fund?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as a pragmatic Liberal as well as a convinced one—and that is where I differ from my hon. friend—I would naturally want to give consideration to that bill. I shall be glad to do so, because I am very much aware of this problem. We in the government have been giving consideration to this situation for some time, and I hope the progress of parliamentary business will enable us before long to deal with this matter of disasters on a somewhat different basis than the pragmatic way in which we have been approaching it over the years.

[*Translation*]

EXTERNAL AFFAIRS

VISIT TO MONTREAL BY U.S. DEFENCE SECRETARY

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, may I put a question to the right hon. Prime Minister?

According to newspaper reports, Mr. McNamara, the American Defence Secretary, will be in Montreal some time this month. Will Mr. McNamara confer with the Canadian authorities at that time?

Mr. Speaker: I do not believe that question urgent enough to be in order at this time.

DOMINION-PROVINCIAL RELATIONS

QUEBEC—EXERCISE OF JURISDICTION OVER MANPOWER

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, may I put a question to the Minister of Citizenship and Immigration?

Has the minister had the opportunity of reading the statement made by the premier of the province of Quebec with regard to manpower "jurisdiction".

Mr. Speaker: Order. That question is out of order in its present form.

[*Later:*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, may I put a question to the Minister of Citizenship and Immigration?

Further to the undertaking the minister gave last Tuesday in answer to a question of mine, is he in a position today to make a statement on manpower policy?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, my reply to the question was that I had not seen the text of the premier of Quebec, I have not yet seen it, because the premier very likely spoke without notes.

The only reply I can give is that I feel the premier was commenting on the provincial Liberal platform. As for the aims of that program, they contain on the whole nothing contrary to our policy, save the employment offices.

Mr. Ricard: Mr. Speaker, I only rise to point out that the hon. member for Sherbrooke (Mr. Allard) has just put a question similar to mine and that his was accepted while mine was turned down.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a supplementary question.

In view of the fact that the premier's speech was broadcast and tape-recorded and that the views therein expressed do not at all seem to concur with the opinion stated today by the Minister of Citizenship and Immigration, is it the intention of the minister—

Mr. Speaker: May I suggest to the hon. member that he seems to be on the point of initiating a debate on a question which, to my mind, is not debatable.

I apologize to the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) if a similar question he intended to put was rejected. The reason why I accepted the question of the hon. member for Sherbrooke (Mr. Allard) is that he started by saying that he had previously put a question and that the Minister of Citizenship and Immigration was to consider it. That is why I accepted his question.

Mr. Grégoire: If you will allow me to put my question, Mr. Speaker, I was just going to.

Mr. Speaker: I will allow the hon. member for Lapointe to put his question. I will then rule whether or not it is in order.

Mr. Grégoire: My question is as follows. Is it the intention of the minister to obtain the tape recording of the speech of the premier of Quebec, in order to compare his manpower policy with his own?

Mr. Speaker: This question is out of order.

[*English*]

QUEBEC—PETITION RESPECTING CHANGE IN PROVINCIAL CONSTITUTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, is the Prime Minister now in a position to advise the house of the attitude the government of the United Kingdom intends to take in respect of the resolution passed by the legislature of Quebec to alter and vary the powers and authority of the legislative council? Is this matter going to come up before the United Kingdom parliament, and might the resolution in question, passed only by the Quebec legislature and a recommendation made by the government of Canada, be accepted by the United Kingdom parliament as a means to amend the constitution?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not know of any change in the situation with regard to this resolution being on the calendar of the United Kingdom parliament, though in the eyes of the United Kingdom government there may not be the same haste in bringing it before parliament because of the existing electoral situation in Quebec.

Mr. Diefenbaker: On April 5 the Prime Minister said he would make an inquiry. Has he made an inquiry, and what has been the answer from the Prime Minister of the United Kingdom?

Mr. Pearson: I realize, Mr. Speaker, that my right hon. friend did ask me to make inquiries, and I did make them at the time. Perhaps the hon. gentleman would give me a few hours to look into the question and see what reply has been received.

COAL

INQUIRY AS TO REPORT ON ASSISTANCE PROGRAM

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys. Has the minister yet received the Donald report? If not, when does he expect to receive it; and having received it, will the government make it public?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I received a phone call two days ago from Mr. Donald. He told me he was dotting the "i's" and crossing the "t's" of his report, and that it would be forthcoming in a few days.

Mr. MacInnis (Cape Breton South): I have a supplementary question, Mr. Speaker. Will the minister answer the third portion of my question? Will that report be made public when the government receives it?

Mr. Pepin: This has not been decided yet, Mr. Speaker; but this is the responsibility of the Minister of Finance because the report is coming to him.

AGRICULTURE

REQUEST FOR EXPANSION OF R.O.P. HOG TESTING

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I have a question for the Minister of Agriculture. Is the minister now in a position to answer the very urgent question that was asked the other day about an increase in the facilities for the record of performance testing of swine?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I am now prepared to answer this question. There was a meeting between my officials and the officials of the Ontario Swine Breeders' Association in this regard on Friday last. The representations made by that organization are now being given very active consideration by the members of my department.

EPIDEMIC TREMORS IN POULTRY—USE OF U.S. VACCINE

On the orders of the day:

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the other day the hon. member for Huron asked me a question with respect to the testing of vaccine for epidemic tremors in poultry, namely whether this vaccine had been approved for use in Canada. I am pleased to advise the hon. member that a permit is being issued to allow the importation of this vaccine.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO AMENDMENT OF PAROLE REGULATIONS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the numerous opinions expressed during the recent debate on the subject of the abolition of capital punishment, pointing out the necessity of amendment of the parole laws and regulations—incidentally, these opinions were expressed by abolitionists and retentionists alike—is it the intention of the government to bring forth any amendments to the parole regulations at this session of parliament?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this matter is being considered by the ministers concerned, in the light of the debate in the house.

Inquiries of the Ministry

REVIEW OF REPORT ON JUVENILE DELINQUENCY

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I have a question for the Minister of Justice. Some time ago I asked the Minister of Justice about the report on juvenile delinquency tabled in the house two months ago. I ask him now what progress his department is making in its review of this report. I would further ask whether he has considered the advisability of referring the more useful recommendations contained in this report to the standing committee on justice and legal affairs.

Hon. Lucien Cardin (Minister of Justice): As the hon. gentleman knows, the question of juvenile delinquency comes under the portfolio of the Solicitor General. This matter is being looked into, but I am not sure whether the question of referring the subject to the committee has been followed up to date.

HEALTH AND WELFARE

REQUEST FOR REPORT ON POSSIBLE CANCER CURE

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. Is the minister in a position to make a statement concerning what could be today's most important item of news, namely the report that a Canadian father and son team of scientists may have discovered a cure for cancer?

Hon. A. J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker, I have no statement on that matter.

Mr. Knowles: A supplementary question, Mr. Speaker. Would the minister look into this matter and make a statement to the house at an early date?

Mr. MacEachen: Yes, Mr. Speaker, I will be glad to investigate the matter and report to the house later.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. I wonder whether the minister has considered making a grant available to this father and son team, and to the three scientists who discovered the new antibiotic drug myxin just a week or two ago.

Inquiries of the Ministry

Mr. MacEachen: Mr. Speaker, the department makes a very considerable amount of money available for research, including research into the problem of cancer. We have a continuing interest in this problem, and I am sure the representations made by my hon. friend will be considered.

[*Translation*]

AGRICULTURE

QUEBEC—FAILURE TO PAY FULL MILK SUBSIDY

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I have a question for the Minister of Agriculture.

Is the minister aware that his dairy subsidy policy has not reached the amount of $4 per cwt. as promised, and will he take action so that this price of $4 per cwt. may be reached immediately?

Mr. Speaker: Order. It seems to me that the hon. member's question is rather general in character and cannot be accepted.

Mr. Laprise: I would ask your permission to debate it at ten o'clock, Mr. Speaker.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I wish to direct a supplementary question to the Minister of Agriculture.

Mr. Speaker: Order. The hon. member cannot ask a question which is supplementary to another one that has been rejected.

If he has a new question, he will be allowed to ask it.

Mr. Ricard: Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the general dissatisfaction which prevails—

Mr. Speaker: Would the hon. member ask his question?

Mr. Ricard: Yes, Mr. Speaker, but I want to give some sort of advance notice. In view of the general dissatisfaction which has prevailed among dairy producers since the last statement made on this matter—

Mr. Speaker: The hon. member knows better than I do that he cannot express an opinion before putting his question as he just did.

Mr. Ricard: Mr. Speaker, will the minister change his dairy policy since the price of $4 per cwt. has not been reached under his new policy set up some time ago?

[Mr. Thompson.]

Mr. Speaker: Order. The hon. member's question is very closely related to the one ruled out of order when put by the hon. member for Chapleau (Mr. Laprise).

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to ask a supplementary question and that one will be in order.

Can the minister tell us if he has instructed his officials in the Department of Agriculture to apply that policy of at least $4 per cwt. of milk or if he has yet to give such instructions?

Mr. Speaker: Order. It seems to me that this question is of the same kind as the other two. The hon. member is asking whether or not the Minister of Agriculture gave instructions. I fail to see how that can be urgent, and in view of the fact that one of the hon. member's colleagues has just given notice that he wants to discuss that matter at ten o'clock, that side of it can also be considered at that time by the minister.

Mr. Grégoire: Another supplementary question, Mr. Speaker, which I trust will be in order this time. In view of the fact that the minister has already made a statement in the house on that matter and that the officials of his department have not implemented it, I would like to know if the latter really intends to carry out what he stated in the house. Besides, if he was not talking seriously, a statement from the minister is in order in these circumstances.

Mr. Speaker: Order. I do not think so.

Mr. Grégoire: Well, I do, Mr. Speaker.

[*English*]

OIL

INQUIRY AS TO REVISION OF NATIONAL POLICY

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to address a question to the Minister of Mines and Technical Surveys. Has the operation of the national oil policy, which was established more than five years ago, given any indication of a need for a revision of that policy today?

Mr. Speaker: Order, please. I suggest to the hon. member that this question is not so urgent that it should be asked at this time.

[*Later:*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in view of the fact that oil is a very important commodity in this country, both nationally and internationally, with the greatest respect I would put a question to the Minister of Mines and Technical Surveys. In the light of strong representations from the petroleum industry that the national oil policy must be brought up to date, will the minister advise whether any consideration has been given to this and whether there has been any evidence over the past three years that the policy must be revised, and revised now?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I feel I cannot accept the premise that there is general dissatisfaction in the oil industry in Canada. On the contrary. I was in Calgary recently and I gained there the opposite feeling. Some people have expressed resentment in regard to the present situation, one person in particular, but I do not think that this represents public opinion or the opinion of the oil industry in Canada.

The hon. member for Northumberland (Mr. Hees), then minister of trade and commerce, started something in 1960-61, and the production of oil in Canada has more than doubled in the last five years. I think that the hon. member should be satisfied with what has been done. The policy itself is reviewed continuously, and if we find in the coming months that something is wrong we will try to remedy it.

Mr. Lambert: I have a supplementary question, Mr. Speaker. My question is motivated by the replies given to me by the former minister of trade and commerce, now the Minister of Finance (Mr. Sharp), that the policy was due for revision and improvements. We know, of course, that it has worked well, but it still could be improved upon.

Mr. Pepin: A national policy like that one is always being reviewed.

Mr. Max Saltsman (Waterloo South): I have a supplementary question, Mr. Speaker. Has the minister received representations that the national oil policy has worked to the great disadvantage of every consumer in Canada who purchases gasoline?

Mr. Speaker: Order, please. I suggest to the hon. member that the question is not in order.

HOUSE OF COMMONS

CONSIDERATION OF ELECTIONS ACT BY HOUSE COMMITTEE

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I should like to direct a question to the Prime Minister. Considering the long period which has elapsed since a thorough committee study and scrutiny was made of the Canada Elections Act, can the Prime Minister indicate when it is intended to have the act referred to the standing committee on privileges and elections for exhaustive study?

Mr. Speaker: Order, please. I am perhaps becoming repetitious, but again it seems to me that this question is not so urgent that it should be asked at this time.

[*Translation*]

HARBOURS

MONTREAL—PROTECTION AGAINST FUTURE FIRES

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, may I direct my question to the Minister of Transport?

Yesterday, the hon. member for Cartier (Mr. Klein) asked the minister whether he had undertaken an investigation into the disastrous fire which occurred in Montreal harbour. The minister then answered that it was a very worrying situation and that he would conduct an investigation.

I would ask the minister which measures he intends to take immediately to prevent any other such disasters and provide a better protection for the workers and users of Montreal harbour.

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Every possible precaution, sir.

[*Translation*]

Mr. Speaker: Does the hon. member for Sainte-Marie have a supplementary question?

Mr. Valade: Yes, Mr. Speaker. I should like to ask the following question.

Has the minister communicated with Montreal authorities to set up a joint policy concerning security for the users of Montreal harbour?

[*English*]

Mr. Pickersgill: Mr. Speaker, the harbours board has been in the closest touch with the city authorities of Montreal.

Inquiries of the Ministry

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Did the stabilization board or the department have any butter in storage in Montreal which was affected by the fire?

Mr. Speaker: Order, please. I doubt whether this is a supplementary question, and if it is not I do not think it is acceptable.

UNITED NATIONS

SUGGESTED ESTIMATE OF COST OF PEACE KEEPING OPERATIONS

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs concerning the subject which he talked about at a conference last night. Has the minister or the Canadian government suggested to the United Nations that the cost of maintenance of the United Nations peace keeping forces be estimated in the future before any of these programs are set up? This question concerns all countries participating in peace keeping activities, particularly Canada.

Mr. Speaker: Order, please. I suggest to the hon. member that he should consider his question further and put it in another form, or perhaps place it on the order paper. I do not see that it is so urgent that it should be accepted in its present form at this time.

HEALTH AND WELFARE

SMOKING—REPORTED INCREASE AMONG SCHOOL CHILDREN

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question which I want to direct to the attention of the Minister of National Health and Welfare. Last week, in the absence of the minister, I asked this question and the Prime Minister was good enough to say that he would direct it to the minister.

My question is this. Having in mind the recent report of an official of the health department to the effect that there has been a very marked increase in cigarette smoking among Canadian school children in the 12 to 14 years age bracket, would the minister say what is happening to the program which is being financed by the public through his department to reduce or end this addiction?

Mr. Speaker: Order. This question should be placed on the order paper.

[Mr. Pickersgill.]

LABOUR CONDITIONS

ADDITION OF CONTIGUOUS CENSUS DISTRICTS UNDER DESIGNATED PROGRAM

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Industry. Does the government accept the addition of contiguous census districts to qualifying national employment service areas under its designated area program, providing these districts meet the income level of the National Employment Service area to which they could be added?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think the hon. gentlemen has correctly read the regulations.

EDMONTON—LAY-OFFS AT NORTHWEST INDUSTRIES

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of Industry. Has the minister yet replied to the letters and telegrams which he and his colleague the Minister of National Defence have received from the international association of machinists with regard to the heavy lay-offs at Northwest Industries in Edmonton?

Mr. Speaker: Order, please. I suggest that the hon. member is not asking his question properly. He is asking whether the minister has replied to certain telegrams. He may wish to put his question in another form.

Mr. Orlikow: Yes, Mr. Speaker. Can the minister tell the house whether the government made commitments to the effect that work would be given the company in Edmonton under the defence sharing program? Is this the case?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, a reply has gone out in answer to the representations to the effect that the government has been doing and is prepared to do all in its power to assist Northwest Industries to even fuller participation in the production sharing program with the United States.

[*Translation*]

HOUSE OF COMMONS

INQUIRY AS TO BY-ELECTION IN NICOLET-YAMASKA

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, thank you for having aided my

digestion, I have been rising for thirty minutes.

I have a question to put to the Prime Minister and it is an urgent one for the following reason: The riding of Nicolet-Yamaska is henceforth without a member. A government victory is foreseeable—

Mr. Speaker: Order please. The hon. member may put a question but no more.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, on a question of privilege.

The member for Lotbinière has just deliberately misled the house by saying that a government victory is foreseeable in Nicolet-Yamaska. He has no right to say things contrary to the truth, as he has been doing just now.

Mr. Speaker: Order, please. I suggest to the hon. member that the rules do not provide for forecasting and deciding of a by-election in Quebec and to report on it. The question period has expired. But in view of the circumstances, and considering that the hon. member has waited for 30 minutes before putting his question, he may now put it.

Mr. Choquette: It is quite a normal question I intended to put to the Prime Minister.

Is it his intention to call an early by-election in the riding of Nicolet-Yamaska, in view of the fact that a Creditiste will assuredly never be elected in that riding?

Mr. Speaker: Order please. The question period is over.

[*English*]

COMBINES INVESTIGATION ACT AND CRIMINAL CODE

EXTENSION OF MORATORIUM RESPECTING B.C. FISHING INDUSTRY

Hon. Guy Favreau (President of the Privy Council) moved the second reading of Bill No. C-169, to amend an act to amend the Combines Investigation Act and the Criminal Code.

Mr. MacLean (Queens): Mr. Speaker, is the minister going to make a brief statement?

Mr. Favreau: Mr. Speaker, this legislation was originally introduced in 1959 and enacted because the statement of evidence submitted concerning the raw fish inquiry by the director of research and investigation cast doubt upon the legality of the arrangements and agreements between the fish packing companies and the fishermen relating to the supply and price of raw fish. As a result the companies declined to negotiate prices with the fishermen's union as in past years and it appeared that a strike might result leading to the loss of the salmon catch and possibly other catches if legislation were not enacted to provide that the anti-combines legislation was not applicable to such an agreement during the period January 1, 1959 to December 31, 1960, both dates inclusive.

It has been necessary to amend this legislation from year to year by extending the period of its application as in the present bill. This extension has been occasioned by delay in completing the inquiry because of a series of court actions or injunctions bearing on the procedure in the inquiry.

In 1963 a federal-provincial committee of officials of the federal government and the provincial government of British Columbia was appointed, and they have now made a report. A recommendation of that committee is to the effect that negotiation procedures between the fishermen and the fish processors should be formalized.

It has not yet been possible to implement the conclusions of that federal-provincial report and it appears that, unless the exception is further extended and the exemption of the British Columbia fishing industry from the application of the act is continued, prejudice will ensue. Therefore the present bill provides for the extension of the exemption of the British Columbia fishing industry under the combines act and the Criminal Code.

It had been intended to ask for a further extension of 18 months, but in order to prevent the requirement of coming before parliament again in the event that the report is not implemented within 18 months the amendment has been drafted in such a way as to provide for a continuation of the exemption, it being provided, however, that the exemption will cease to be in effect if a motion of discontinuance is made and passed in this House of Commons.

• (3:30 p.m.)

Mr. Frank Howard (Skeena): Mr. Speaker, this is not such a simple and straightforward question as the President of the Privy Council has so blandly expressed it. It has a far deeper significance than explained by the hon. gentleman who introduced the bill.

To understand the significance of what I am about to say we need to look at the history. The statement of evidence by the director of research and investigation to

which the minister referred arose out of a decision, as I understand it, of either six or seven people in the fishing industry who became disgruntled and unhappy because of a strike in the fishing industry a number of years ago. They took steps under the Combines Investigation Act to set out the basis of their claim that the act had been contravened and that a conspiracy to set prices had been engaged in between the United Fishermen and Allied Workers Union, the Native Brotherhood of British Columbia, and the fishing industry of British Columbia.

The director of research and investigation under the Combines Investigation Act had no recourse whatever under the law but to launch an investigation, because the provisions of the law are that when six citizens of Canada lay a complaint together with background information before the director he is then duty bound to proceed to conduct an investigation. The director made a statement respecting the procedure itself, which became an issue in the 1957 federal election. At that time we argued, and we still argue, that section 4 of the Combines Investigation Act, which says that workmen or combinations of workmen may engage in activities for their own reasonable protection, should have been brought into force and that the investigation ought not to have been proceeded with.

The government of that day saw fit not to enforce the law, thereby protecting the rights of those in the fishing industry, but instead launched a prosecution. Subsequently there was a reluctance on the part of the fishing industry to negotiate with the fishermen's union over wages, hours and working conditions because it was claimed that if there were negotiations the companies in the fishing industry would be laying themselves open to another prosecution under the provisions of this act. Therefore, in order to ease the awkward situation prevailing in the fishing industry the original amendment was brought in exempting contracts, agreements and arrangements between fishermen or associations of fishermen in British Columbia from the workings of the Combines Investigation Act.

At that time we argued that the exemption ought to be permanent. We argued that if there was doubt in the minds of members of the government preceding this one as to the definition of "workman" in the fishing industry, which has been a perennial problem, that doubt ought to be resolved and some exemption should be provided for fishermen in the

[Mr. Howard.]

fishing industry in British Columbia. We argued that the exemption should be a permanent one and should be brought within section 4 of the act which now provides a permanent exemption for workmen in regard to certain actions for which they would otherwise be prosecuted under the Combines Investigation Act.

I shall quote section 4 of that act so that it will appear on the record. It reads as follows:

> Nothing in this Act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees.

That section has been interpreted and reasoned to mean that a combination of workmen or a union that involves itself and a company or industry in collective bargaining for a collective agreement does not contravene the Combines Investigation Act by such negotiations in reaching a collective agreement. We say that this is the correct approach. There ought to be this protection and exemption from the conspiracy sections of the law in so far as unions and their collective bargaining rights are concerned. However, if there is doubt on the part of the government whether fishermen can be classified as workmen, then the provision in the bill now before us, which has been on the statute books since 1959, should be made permanent so as to extend to fishermen in the fishing industry of British Columbia or in any other part of Canada the same sort of protection that exists with respect to other workmen under the Combines Investigation Act. The present government and its predecessor have failed to make the exemption permanent. The failure to do so means that the government is engaging in the game of playing favourites. It is discriminating against a segment of industry for some peculiar or odd purpose.

In 1960 the Combines Investigation Act was amended quite extensively. We spent many hours, both in the house and in the Banking and Commerce Committee going over the proposed changes which were introduced by the hon. gentleman who is now the hon. member for Kamloops (Mr. Fulton) but who was then the minister of justice. One of the interesting changes made in 1960 was, in effect, a provision to exempt the fishing companies from prosecution under the Combines Investigation Act if they engaged in a conspiracy to fix prices in the export market. In other words, they were exempted from prosecution. The parliament of Canada in 1960 singled out one section of the industry under

what I called the Pickersgill-Fulton formula or amendment, because both hon. members conspired the one with the other, to develop the exempting section of the Combines Investigation Act which exempted that industry from prosecution under the act if it conspired to fix prices for the export market.

The effect of that provision in so far as the fishing industry in British Columbia was concerned was to bring about an exemption from prosecution for fixing prices in the domestic market. We all know that the various companies in the fishing industry of British Columbia, having been given the authority to sit down with each other and fix common prices for their products in the export market, surely do the same thing when they establish prices in the domestic market. Is there any suggestion that this does not happen? Certainly not. When we buy canned fish that comes from the coast of British Columbia we are buying canned fish whose price has been set by a conspiracy among the companies concerned which has the protection and sanction of law.

The previous government of that day, with the assistance and help of the present Minister of Transport, sought to exempt one section of the fishing industry in British Columbia from the law. This government has not the courage and the common decency now to take the next step, the one that ought to have been taken, namely, to exempt another section of the fishing industry from the provisions of the law. That is one-sided favouritism. It was one-sided favouritism when that concept was originally introduced. The President of the Privy Council is carrying on that one-sided favouritism by asking parliament to continue the temporary exemption respecting fishermen on the west coast. This is not nearly good enough.

• (3:40 p.m.)

It indicates that the President of the Privy Council has not learned very much as a result of his transfer from the position he used to hold in the cabinet to the one he holds now, that he has not come to appreciate that you cannot play favourites, that it is unethical to pick and choose among groups in the nation, that it is politically immoral to take steps to exempt the fishing industry from prosecution under the act while taking other steps to preserve the possibility that individual fishermen or their organizations may be prosecuted.

The gobbledegook of a while ago in explanation of the various safeguards was misleading, to say the least. There is only one reasonable, sensible, fair and just course to take. I can appreciate that the government may not fully understand what is meant by "just". But the only course which would be just to all so far as the fishing industry in British Columbia is concerned is this: If there is any doubt as to the interpretation of the word "workmen" or the phrase "combinations of workmen" in section 4 of the act we should take the bill now before us when we get into the committee stage and make this exemption permanent in the same way that a permanent exemption was granted to the company side of this industry.

The minister says that the bill provides for repeal because as soon as the collective bargaining procedures which may result from the work of the joint federal-provincial committee are worked out and in effect there will be no further need for exemption under the law. If a simple process of establishing a system of collective bargaining in the fishing industry of British Columbia will obviate the need to provide for an exemption from the law, what is the purpose of the law in the first place, because this system of collective bargaining is already in existence? What comes to mind is that there is in contemplation a collective bargaining procedure which will not be true collective bargaining but which will result in the imposition by one group of hours, wages and working conditions on another group. This is not free collective bargaining; it is dictatorship. If the minister contemplates the introduction of a system in British Columbia whereby one element in our society will be told what their hours, wages and working conditions shall be, I agree there could be no conspiracy because those who are under the heels of a dictator have a difficult time conspiring with one another.

One thing this bill has done has been to reveal once again the attitude of the present government which is identical with that of its predecessor and shows its complete lack of interest in fair play. It is not interested in fair play, only in paying attention to those elements in our society which have control of the government itself.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, as I recall it, during the debate that took place in the twenty fifth parliament I more or less supported the view which has been taken by the last speaker. I felt there were sound arguments for making the exemp-

tion permanent. If my memory serves me correctly, the hon. member for New Westminster (Mr. Mather) also supported this view. However, the government of the day felt that the extension of one year which it had suggested might be on the short side and eventually acceded to a suggestion that the term be extended for two years.

Considerably more than two years have elapsed and this, I think, vindicates the position that was taken by the hon. member for New Westminster and myself at that time. Since then, as the President of the Privy Council (Mr. Favreau) has announced, a federal-provincial committee has been studying this problem. It is one which merits study because the fishermen and the fishing industry in British Columbia have been following certain practices since the last decade of the last century and nobody ever suggested that they were not legal until the investigation which took place in the late 50's.

Since the federal-provincial committee is now making a study of this situation, I think it is desirable that if ten members of the house wish to question the propriety of the exemption that right should be reserved to them. The result would be in effect that under this amendment the exemption for which the hon. member and others have asked in the past will continue in perpetuity, unless and until ten members decide they want to propose a change you will have a permanent exemption.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I recognize that what the Minister of Labour (Mr. Nicholson) has just said is correct. Unless there is an objection made by ten or more members the provision will be permanent. What the minister neglected to mention is that there is a provision for the repeal of the bill as a result of other action by the house; in other words, if superseding legislation is brought in this measure may be repealed. That is my understanding of the position, and if it is not correct I hope the President of the Privy Council (Mr. Favreau) will tell me so.

I do not intend to speak at length on this matter but I should like to say that in my view it is nothing short of a national disgrace that for ten years uncertainty has hung over the heads of the fishermen of British Columbia. I was a member of the house when the complaint under the Combines Investigation Act was laid. It was startling at the time. It was even more startling to find that the terms of the act which specifically exempt workmen were considered not to prevent the application of the section requiring the director to make an investigation. My impression was that the then minister of fisheries, Hon. James Sinclair, was as surprised as I was to find that this question had arisen in respect of a practice which, as the Minister of Labour has said, has been going on in British Columbia for decades, certainly for longer than I can remember.

• (3:50 p.m.)

I was not a member of the house at the time the action was taken to which the hon. member for Skeena (Mr. Howard) referred. I certainly agree it was a regrettable course of action but I shall not go into it. However, I would like to direct the attention of the house to the fact that in addition to that protective section in the Combines Investigation Act there are similar provisions in parallel sections of the Criminal Code.

I well remember the lengthy discussion which took place in the house during the 1953-54 session, when the Criminal Code was being completely revised, on this very question of conspiracy and the protection of working people from the application of the conspiracy sections of the Criminal Code. As we all know, the battle for the protection of working people against charges of criminal conspiracy goes a long way back into the history of our country and of that country where functions the mother of parliaments.

For that reason, Mr. Speaker, I consider it a national disgrace that this situation has gone on and on and that over the years there have been nothing but temporary extensions of the act. I do not know what kind of proposal will be placed before the house arising from the special committee of federal and provincial authorities, but from reading the committee's report I am not too optimistic that its proposal will be one that will really protect the rights of the fishermen of British Columbia. I hope I am wrong in my forecast.

Inasmuch as the hon. member for Skeena has referred to the section in the Combines Investigation Act I think I should put on record the parallel sections of the Criminal Code. Section 411 deals with the whole question of various types of conspiracy which might be considered in restraint of trade and commerce, including the fixing of prices. Subsection 3 reads as follows:

> This section does not apply to combinations of workmen or employees for their own reasonable protection as workmen or employees.

Section 409 of the Criminal Code, also dealing with conspiracy in restraint of trade, says that such a conspiracy is an agreement between two or more persons to do or to procure to be done any unlawful act in restraint of trade. Subsection 2 states:

> The purposes of a trade union are not, by reason only that they are in restraint of trade, unlawful within the meaning of subsection (1).

This, of course, raises the whole question of the determination of what is a trade union. The United Fishermen and Allied Workers' Union has operated as a union on all fours with the normal operation of any other union in this country except that instead of bargaining on an hourly rate or monthly wage it has to bargain on a rate for piece work. But this is not a unique situation. The Minister of Labour knows that in relation to certain activities in the logging industry in B.C. the traditional method of bargaining has been on a price for 1,000 feet of lumber or logs.

No matter from which angle we look at this situation, for example, from the angle of this house having passed the Canada Labour (Standards) Code last year, it is incredible that even if we pass this bill we still leave unsettled the basic question of whether or not these fishermen are working people under the laws of Canada.

I am not going to prolong my remarks on the bill. Certainly I shall support its passage in lieu of any better proposal but I hope that the President of the Privy Council, who is perhaps not as fully acquainted with the circumstances surrounding this situation as the Minister of Labour, will take a good look at the definition of a workman around which this whole unhappy situation has hinged.

Mr. Nicholson: Mr. Speaker, I know I should not rise a second time to speak in this debate, but during his remarks the hon. member for Comox-Alberni posed a question to which he is entitled to an answer. He was concerned with the last few words in the proposed amendment, "or such sooner day as this section is repealed." I assume that those words were inserted in order to permit the repeal of the section if a constructive proposal comes forward from the federal-provincial committee. Otherwise, as I said earlier, the exemption will continue indefinitely unless and until ten members of the house feel that parliamentary action is necessary.

[*Translation*]

Mr. Favreau: Mr. Speaker, in view particularly of the remarks made a while ago by the hon. member for Skeena (Mr. Howard)—

[*English*]

Mr. Deputy Speaker: Order. I should advise the house that if the minister speaks now he will close the debate.

Some hon. Members: Agreed.

Mr. Favreau: That is why, Mr. Speaker, I took a long look around the house before beginning my remarks.

• (4:00 p.m.)

[*Translation*]

In view of the remarks of the member for Skeena (Mr. Howard), I feel it is important that the matter should be made clear at this stage.

He said that, in his opinion, this legislation designed to extend temporarily the exemption of the British Columbia fisheries from the provisions of the act is immoral because this exemption should be permanent.

Personally, I note that on four occasions between 1959 and 1964 inclusive, the Canadian parliament saw fit to provide for the temporary nature of this exemption by enacting a similar legislation. I feel therefore that for the moment, since the circumstances making the previous exemptions necessary have not changed, it is quite in order for the minister now responsible for the application of the act to ask parliament to provide for an exemption similar to those previously granted.

In order to indicate that the present government has no intention of removing the exemption before making sure that the legal and other conditions in British Columbia are likely to protect as completely as possible the situation and interests of the fishermen of this area, the bill now before the house is designed to ensure that the exemption be made practically permanent, so as to provide that, barring very special circumstances, the exemption will remain in effect until the recommendations of a federal-provincial committee, which reported in February 1965, have been implemented in some pieces of legislation.

Since there are still some particulars to be looked into, those measures will come exclusively under provincial or federal jurisdiction or under joint jurisdiction, being complementary to one another.

I think it was essential that the previous exemptions, and the one which is now asked

for, be granted because if in 1959 as well as for the following years, the exemption had not been applied, the strike threats which existed during that whole period could have resulted in the complete loss of the catch during those years and in lay-offs for all the fishermen concerned. That is why I think that the legislation which was passed was essential and that the one now before the house is also essential.

When the situation has been settled by legislation and we know exactly how it works out, then we can revise our Combines Investigations Act and find out, before cancelling the exemption, whether or not it will be necessary to amend the act in any way.

Hon. members can rest assured that the government has no intention of cancelling the exemption before all those facts have been studied and before it is convinced that the future and interests of all the fishermen concerned will not be prejudiced in any way.

[*English*]

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

On clause 1—*Application of acts to fishing agreements.*

Mr. Howard: This clause, Mr. Chairman, carries with it a relatively new concept in legislation, namely, one which gives the initiative only in the repeal of a law and not its carrying out to any ten members of the House of Commons. I am in agreement with that general principle. It long has been my contention that the cabinet has taken unto itself far too much authority and control over parliament. At least in a small way the provision of the right to any ten members of parliament to initiate a certain legislative step is in itself good. The corollary of this, however, is that this right to take the initiative to repeal or remove the exemption applies only to fishermen in so far as the fishing industry is concerned. In other words, any time any ten members, for whatever reason, feel it is necessary to place the fishermen as individuals and their union in the position of facing potential prosecution for conspiracy under the Combines Investigation Act they can do so.

I think that what the President of the Privy Council should have done, if it is his sincere desire to see this procedure used, was not to have stopped here but rather to have given the same right to any ten members to initiate legislation to repeal the present sections of the Combines Investigation Act which permantly exempt the industry from prosecution for conspiracy to set prices. On the one hand he says that any ten members of parliament should have the right to remove the exemption which now applies to the fishermen, but on the other hand he says he does not want any ten members of parliament to have the right to remove the exemption which now applies to the company side of the fishing industry.

I submit that this is discrimination. As the law stands now, it says that the court shall not convict in any prosecution if there is a conspiracy, combination, agreement or arrangement relating only to the export of articles from Canada. As I pointed out, this is the argument that the fishing industry used as its defence for what the companies were doing in the period prior to 1956 when they came under the glare of the director of research and investigation.

They said then: We are not fixing prices on the domestic market; while it is true that we negotiate with the United Fishermen and Allied Workers' Union, in our selling policies we do not fix prices on the domestic market but, because of international competition, we have to be able to consult with each other to fix prices for the export market. I would point out that by a process which I believe Professor Skeoch called osmosis the price fixing arrangements on the export market also extend into the domestic market. And this is so.

If the minister is sincere in saying that any ten members of parliament should have the right to initiate a law to remove the exemption in so far as one section of the fishing industry is concerned, why did he not introduce a bill containing the same right to remove the exemption of the company side of the fishing industry as well? Why the different approach? I would very much appreciate an answer from the minister on this point before we proceed to pass the bill.

• (4:10 p.m.)

[*Translation*]

Mr. Favreau: Mr. Chairman, it seems to me there is no discrimination or unfair treatment. As concerns exports, the same treatment applies to all, but for the domestic market, each and every one, save the exceptions herein provided for, is covered by the Combines Investigation Act.

Nevertheless, I have duly noted the remarks of the hon. member for Skeena (Mr. Howard) and I can give all members of the house the assurance that I shall study them and that later consideration of some provisions of this act will be made in the light of the remarks made here. It is clear that if agreements allowed on exports were carried over into the domestic market and were to produce illegal agreements, well then, the necessary investigations would be carried out, whether initiated by the director or at the request of outside persons.

I was pleased with the very frank remark made about the procedure set out in this legislation to the effect that if it is desired at any time to cancel the exemptions, that will not be done by an order in council according to the wishes of the government but by a decision of the members of this house. But I wish to point out also that it was intended by the government to ask for an 18-month exemption, as it did the last time, because it feels that over the next 18 months the matter will be settled to everyone's satisfaction. Then we considered the fact, which the hon. member of Skeena mentioned, that if the exemption had to be continued after 18 months, it would be appropriate to decide if it could be cancelled by an order in council. That is when we decided to abide by the much more democratic principle providing that the decision of the house, and not that of the government, would prevail in those circumstances.

But I want to clarify one thing. It is obvious that the exemption cannot be cancelled at any time simply following a motion by ten members of this house. There is an exemption for a minimum period of 18 months, that is until December 31, 1967, and that exemption will remain in force afterwards unless a motion is passed by this house.

[*English*]

Mr. Howard: Mr. Chairman, I did not ask the President of the Privy Council to examine the proposition I put to him or to examine the situation in the light of my remarks. I did ask him whether he thought it correct to follow a more democratic procedure than the use of an order in council, and those were his words, as a result of giving ten members of parliament the right to institute repeal of the exemption. If he is of that opinion why did he not take a further democratic step in respect of fishing and other companies which now have an exemption under the Combines Investigation Act and which now can and do conspire to fix prices for the export market? Why did he not follow his ideas about democratic procedures and take the next step? After all, what is sauce for the goose is sauce for the gander. Ten members have the right to initiate the procedure of repeal in respect of the exemption as it applies to fishermen and their unions. On the surface it seems to me that the minister is thinking in terms of democratic procedure on one side of the coin but not on the other.

Mr. Favreau: Mr. Chairman, I should first like to point out that ten members of parliament cannot abrogate the exemption. The House of Commons can do so on a motion introduced by ten members. As to the further extension of what the hon. member refers to as the democratic process, I think we are here concerned with one rather narrow issue, whether or not the exemption in favour of the fishing industry in British Columbia which has been granted by this house on four occasions should be continued.

So far as the balance of his remarks is concerned, I said a few moments ago that at the time of any further review of the act, those things he referred to will have to be taken into consideration. What he has referred to is a modification of one of the broad and basic principles of the Combines Investigation Act. Surely if any such modification is necessary it ought to be made as a result of an act of parliament rather than through the special type of provision by which ten members of parliament can move a motion to be approved by the house.

The hon. member, I repeat, can be assured that if it is discovered that the application of the exemption from the act to any type of industry for the purpose of export markets is transposed to the Canadian market in terms of an illegal combination, the matter will be looked into by the director of investigation and research.

Mr. Barnett: Mr. Chairman, the President of the Privy Council and the Minister of Labour made reference to the possibility of superseding legislation, and I am using my words, not theirs. I realize that at this stage we cannot consider the details of possible legislation. The question in my mind relates to the fact that this proposed extension is more permanent than the extensions provided by other bills of this type. Nevertheless it does retain in essence the principle that these

fishermen are exempt only because of a special exempting provision.

I should like to relate that fact to the question I raised earlier which has been of some concern to me since the problem of the application of the Combines Investigation Act to a group of workmen first arose. Has the President of the Privy Council or the government in mind that any superseding legislation which may be passed will clarify the existing provisions of the Combines Investigation Act regarding what constitutes "workmen". Some of us felt that these provisions protected working people from any application of the Combines Investigation Act. The provisions of section 7 relating to a complaint by six or seven people destroyed what some of us had considered up until 1956 to be a specific provision with general application to working people. Who is to say that tomorrow some other group of workers may not find themselves in the same position as the fishermen were in 1956? It has not happened in the last ten years but, as the Minister of Labour pointed out, it did not happen in connection with the fishermen in British Columbia over a considerably longer period, even though the practice followed in negotiations between them and the fishing companies had been on all fours with what it was in 1956 and in fact has continued to be as a result of this kind of exempting legislation.

• (4:20 p.m.)

Could the minister give us some clarification on any proposals the government has in mind in relation to the application or interpretation of this exempting clause of the Combines Investigation Act? I would also ask for clarification in relation to the parallel clause in the Criminal Code.

Mr. Favreau: Mr. Chairman, the concern of the hon. member for Comox-Alberni with the possibility of further incidents in other provinces or industries is well understood. The hon. member will also understand that the reason this particular exemption has been granted stems from the fact that the word "workers", or the elements which integrate the notion of a worker within the meaning of the general exception were not precise enough to allow a determination of whether they covered the case of fishermen in British Columbia. Rather than provide at the time for a basic review of the principle involved here, it was decided that the thing to do in the interests of the fishermen and the fishing industry in British Columbia was to exempt that particular industry from the provisions of the act and the Criminal Code.

I am not in a position to say whether it will be the intention or decision of the government to extend further the notion of "worker" within the meaning of the general extension. Hon. members will appreciate that it would be difficult and probably unfair for me to use the pretext of the narrow clause now before us to forecast a basic or general review of the principles of the act. But I might say at this time that within the next ten days or so I intend making a statement with regard to a governmental decision respecting a broader view of the Combines Investigation Act. However, for the moment, because government policy is involved and a general review of the act as such is not being discussed here, I think I should not state that policy. But I can tell the hon. member that within the next ten days or so I intend to make a further statement on a more general view of the act itself.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read a third time? By leave, now?

Some hon. Members: By leave, now.

Mr. Favreau moved the third reading of the bill.

Mr. Frank Howard (Skeena): Mr. Speaker, I might say one word on third reading. I meant to say this at the committee stage but was called out to the telephone. I apologize for my absence. For my own part I think the bill is phrased correctly, because I believe that the more we do to strip the Senate of any function the better off we will be. But if I were in the Senate I would object most strenuously to the bill. I am sure hon. Senators will say that the House of Commons is taking unto itself exclusively the right to repeal legislation whereas our concept of repealing legislation is by means of the Governor General, the House of Commons and the Senate as an entity indivisible. It seems to me that legislation drafted in this way is terribly poor, even though I agree that this is the way it should be done.

Hon. J. A. MacLean (Queens): Mr. Speaker, I do not want to prolong this discussion but I think the hon. member for Skeena (Mr.

Howard) is labouring under a misapprehension. As I understand the bill, it means that ten members could initiate the legislation if this bill is passed by the House of Commons and the Senate in the usual way. I should like an opinion in this regard.

Mr. Favreau: I take it, Mr. Speaker, that the hon. member is putting a question?

Mr. MacLean (Queens): Yes.

Mr. Favreau: In answer to the question I would say that the basic issue, of course, is an extension by both houses of parliament of the exemption for a period of 18 months until the end of 1967. But the exemption is to continue subsequently until such time as the House of Commons, upon motion of ten of its members, decides to repeal it.

Mr. MacLean (Queens): If I may continue my remarks, Mr. Speaker, because I did not make myself clear, my point is that this legislation gives that authority to ten members of the House of Commons but this legislation has to be approved by the Senate.

Mr. Favreau: Yes.

Mr. MacLean (Queens): We in the House of Commons cannot by ourselves take away this right from the Senate. It is even possible that the Senate will not pass the bill if they feel their rights are being denied. In closing I wish to congratulate members on the treasury benches who have taken part in this debate for a more responsible attitude regarding this rather difficult and contentious problem than was habitually adopted by them when they did not have the responsibility of administering these measures. I sometimes think what a tremendous benefit it would be if the hon. member for Skeena had the advantage of sitting on the treasury benches for a while so that this attitude might be transformed to some extent, but on balance I am not sure which would be worse for the country.

Mr. Favreau: I am sorry I misunderstood the original question put by the hon. member. He is completely right, of course. In dealing with the present bill the Senate will be completely free to accept the principle which is very humbly suggested to them. They will, I hope, understand that the basic issue will be resolved by them in the same way as it is resolved by this house.

• (4:30 p.m.)

Mr. Rapp: Mr. Speaker, I have one question. Do development projects come strictly within the prerogative of the provincial governments or is the federal government making recommendations in this area?

Mr. Favreau: Mr. Speaker, as I said earlier in this debate, the issue is not yet completely clarified whether there is here an exclusive provincial jurisdicition or an exclusive federal jurisdiction or whether both provincial and federal legislation which will complement each other will have to be passed.

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

RESEARCH COUNCIL ACT

AMENDMENTS RESPECTING NAME, ADDITIONAL REMUNERATION OF OFFICERS, ETC.

Hon. C. M. Drury (Minister of Industry) moved the second reading of Bill No. C-150, to amend the Research Council Act.

He said: Mr. Speaker, as I pointed out when the resolution introducing this bill was under discussion, this is rather in the nature of a housekeeping bill made necessary by the passage of legislation setting up a Science Council of Canada. The principal object of the bill in its few clauses is to reconcile the position of the National Research Council with the new Science Council. In addition to this, steps have been taken to make a number of small operational changes in the latter clauses of the bill for the day to day operation of the National Research Council.

Since I have already made a statement both on the Science Council and the National Research Council, I think perhaps if we could proceed to committee without delay I would be prepared to answer any questions that there may be.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I do not want to delay the bill reaching the committee stage but I think my remarks with respect to the principle are more aptly put on second reading and can be made in about ten minutes. I do not believe they will seriously hold up the bill in any case, and an orderly procedure will be correctly maintained.

As the minister stated, this bill is a housekeeping measure designed to change the name and to make one or two other adjustments in the act. One of these adjustments is to relieve the National Research Council of its responsibilities in an advisory capacity or, to put it more accurately, to refer matters to

a committee of the cabinet on science policy. I believe that in this principle a more coherent pattern is being followed than heretofore. I know from the minister's first statement that this results not only from the recommendations of Dr. Mackenzie, the past president of the National Research Council, but from studies carried out following his report. With the council on scientific matters and the secretariat in the cabinet we are beginning to get a framework now whereby we can separate policy and the investigational branch of the National Research Council's work into two parts under an over-all umbrella of a committee of the cabinet dealing with scientific matters.

My remarks today are directed through you, Mr. Speaker, not only to the National Research Council but to the minister who reports to parliament for it. Many people in Canada, over the last score of years have spoken at some length on the necessity of research as part of the adjustment that must be made in a modern industrial country in order to keep pace with technological advances. I should like to say, and I am sure the minister supports me in this, that the work of the National Research Council of Canada is outstanding the world over. My remarks are along the line that the tremendous effort by the National Research Council requires, I believe, a little reinforcement. Let me give some examples. One of the duties of the National Research Council is the job of doing basic research which might be classified, for the purpose of my argument, as government research. Within the field of government research a tremendous amount of pure research and applied research springing from pure research has been done. I do not believe that any country in the western world exceeds Canada in this regard.

With respect to the second duty listed in the act, whereby the National Research Council representing the government, if you will, joins with private industry to do research, there is much to be desired. The chief fact, as I see it, is that even though the relationship is voluntary between the National Research Council and industry there has not been as much government-industry research in Canada as there has been in most of the other industrial nations. I do not think this is the fault of the National Research Council to any extent whatsoever. As I see it, the fault lies in the fact that many industries in Canada are American owned or American controlled and they have developed a pattern

[Mr. Hamilton.]

of behaviour under which their research is done for them by their parent companies in the United States. To a certain extent the remark I have just made about American owned and controlled industries also applies to British owned and controlled industries in Canada. In other words, the subsidiaries of foreign enterprises in Canada find it difficult, under the pattern of behaviour which has been established in their industries, to come voluntarily to the National Research Council and join with it in industrial research which would do so much for industry in Canada.

Therefore I am going to suggest to the minister, even though the act does not lay down any such responsibility for him, that he could serve his country well by using the considerable prestige which goes along with his portfolio in deliberately searching out opportunities where the facilities of the National Research Council could be combined with those of various industries which have the job of producing a particular product that is the end result of the pure and applied sciences in co-operative research programs. We do have some examples of this. In connection with nuclear development and the use of nuclear energy for peaceful purposes in producing electricity, we have the example of the co-operation of the Canadian subsidiaries of Westinghouse and General Electric. The Atomic Energy Control Board has done tremendously fine work in providing us with a type of nuclear power production which equals anything in Great Britain or the United States.

• (4:40 p.m.)

In this particular type of co-operation these subsidiaries took great pride in the fact that they were able, in co-operation with a Canadian government agency, to go along a path different from that taken by the parent companies. They took great pride that in some aspects of this problem they exceeded the work done by the parent companies. I do not believe there was any loss financially to the parent companies; in fact, the opposite was the case.

I would suggest that the bringing together of these two subsidiaries of United States companies and a Canadian government agency resulted in benefit for Canada economically as well as from the point of view of prestige and research. I just use that as an example because I am sure there is need for the same thing in many other fields. I want to come back to this matter in a moment.

Another phase of the work of the government research council is the contracting out and delegating of certain problems of research to the scientific departments of the various universities of Canada. One of the main purposes of this technique is to develop scientific facilities at our universities but at the same time to supplement the work of the National Research Council. It is this particular phase of the work of the National Research Council that I believe will enable the people of Canada, through the federal government, to bring about a tremendously increased amount of work which will not only add to our basic research but will be a device acceptable to the provinces which will allow the national government to play a large part in the financing of education in Canada.

I think the reports dealing with the cost of higher education indicate that the largest single component of that increased cost is and will be not only in the field of basic research but in the facilities which are made available to do this research. In this phase I believe the minister would have the support of all parties, including his own, if he were to use this as an opening wedge into the education field without in any way destroying the legitimate right of the provinces under the British North America Act to full control over education. This is an acceptable way in which we could move in this field.

This is something which cannot be pushed effectively by the personnel of the National Research Council; it has, I believe, to be a matter of deliberate government policy. I think that in this regard the minister will get not only the support of members of all parties but also the enthusiastic thanks of men and women across Canada who are trying to build up our higher levels of education.

I want to conclude my remarks on this aspect, Mr. Speaker, by reverting to the question of the minister's contribution in backing up, supporting and reinforcing the work of the National Research Council. I deal with this subject under the heading of "Education of the Public".

Let me turn, first of all, to education of industry. I do not think there are many of us here in the house who are not aware that through the basic research of government agencies we have produced new technology that should be utilized in our industries across Canada (a) to make them more competitive and (b) to produce new and superior products. Yet we realize that much of this basic knowledge, for the reasons I advanced earlier, lies at the root of ownership and control.

I want to say without any malice whatever that I think I can put forward the thought that one of the functions of the minister as he surmounts the organization period in his department is more and more to make the country aware of what these technological changes are which have been made available by basic research here in Ottawa and across Canada. He should also publicize the fact that certain industries are not adopting these potential improvements.

I am not an expert in these matters, Mr. Speaker, and my views are only those of a layman, but let me once again give the house some tangible examples. I think of the mining industry. Canada is one of the leading mining countries of the world; yet the great bulk of the mining machinery utilized in Canada is imported from the United States. There has been a definite lack of basic research into the type of machinery required in our mining operations in Canada, and we actually build our mines around the type of machinery which is available.

The new move in Canada these last few years of beginning to re-examine the type of mining operations we are carrying on in this country provides a great oportunity to develop new types of machinery suitable to our own particular problems, which in turn could be put before the steel industry complex and the industrial machinery manufacturers in Canada. With the help of the National Research Council they could produce a type of mining machinery unique to Canada and which would be both efficient and suitable to the new type of mining I am now going to describe.

One of the new problems created by the new type of mining has resulted from the change from deep mining operations to the extraction of minerals from the surface—open pit mining, if you like. The type of machinery which is utilized in most cases is the same as that utilized for the extraction of any soil or dirt. Not enough thought has been given to the techniques of moving minerals or mineralized rock to the concentrator or to increasing efficiency to the point where there is a dramatic reduction in cost. I still see being used bulldozers and loaders that carry 12 to 15 tons and in some cases even 35 tons. The type of machinery used in building a highway is being used to move the rock to the place where it is crushed.

There is also the type of machinery which is used in the coal mines around Estevan in Saskatchewan. There the largest machinery in the world is used to move tremendous tonnages of coal per day per man, thereby producing a very low unit cost per ton. This is the type of machinery we must start developing in Canada not on a single unit, custom basis but on a mass production basis which would result in several hundred units every few years, thereby making available to open pit mining the type of low cost machinery which must be made available.

The reason I mention open pit mining is that much of the ore in Canada is low grade. To make money out of low-grade ore you first of all have to have a great volume of such ore and, second, you have to have a very low unit cost for moving the ore to the concentrators.

The Minister of Industry will be moving into a field already very large and lucrative, one which has already grown at a tremendous pace, and I have put forward this example so he will realize that here is a type of secondary industry which helps not only itself but primary industry to develop. As I have said, Mr. Speaker, I am not an expert in this matter; these are the observations of a layman. However, I believe they merit examination by those around the minister who are experts.

• (4:50 p.m.)

If there is merit in what I am saying I think the minister could serve his country well by bringing these problems to the attention of industry. The National Research Council could bring about a great forward step in the types of operations along the same lines as the steel industry which I should have liked to describe.

Most of us in Canada realize that for many decades to come steel will remain a basic industry of the modern industrial nation. We know that government agencies in Canada have done a great deal of work in this field. In that regard I should like to mention the metallurgical division of the Department of Mines and Technical Surveys which has done research work resulting in the addition of uranium to steel, thereby coming up with a steel the characteristics of which are superior to other types of steel being produced elsewhere in the world. Since we have the basic uranium supplies, since we probably have the largest iron ore reserves in the world, since we have the energy to process steel through electrolytic techniques, through the traditional open hearth technique or through the new chemical techniques, and since we also have the water necessary to do this, a great advance in steel production can be accomplished.

As the United States rapidly becomes short of water for industrial purposes, which is probably more important than anything else, our water can probably be used as an inducement to bring heavy steel industry into Canada. If this is accompanied by increased technical know-how developed by our research people, with our basic energy, water and other resources I believe we can accelerate the fantastic growth of the steel industry even more than has occurred in the past eight years. Instead of being so proud that we have gone from 4 million tons to 8 million tons in eight years, let us think in terms of doubling and redoubling in short periods the present volume of 10 million tons.

In this particular industry we are completely competitive with the United States. As a matter of fact, we cannot even produce enough for our own needs in Canada, let alone export steel. I believe that the Minister of Industry could reinforce the work of the National Research Council if he were to inform himself as to what is available by way of know-how from the various government agencies, bring together all this knowledge and then ask pointed questions as to why it is not used. I will not deal with the other industries I have referred to in my notes. I have said enough to make my point.

My final point has to do with the consumer. In this field I know that traditionally the National Research Council has high ethics. When a product is produced by an industry and is brought to the National Research Council for examination, it is examined and the results are available if they are requested. Let me ask this question. How many times have the millions of home owners and consumers in Canada hoped and prayed for the day when there would be some form of easily available knowledge so that it would be possible to check on the efficiency and relative cost advantages or cost benefits of the various products available on the market? When a person buys a furnace, an automobile, a refrigerator and so on, he always asks himself when making his choice: What is the best article of that type for me?

I know that it is not according to the ethics of the National Research Council to issue comparative information of this type. But I have often wondered in thinking about the

matter why the minister would not put himself in the place of the consumer today who is hard pressed by rising costs, not only of basic products but costs of distribution and those brought about by the tremendous added cost of advertising, and give the consumer some sort of standard to use from which to judge what is the best buy. Some sort of code might need to be set up. It might be part of the advertising; I do now know. I am simply saying that there is a tremendous need now among the consumers of Canada for some type of basic information that will enable them to judge what they are buying objectively in some reasonably fair way.

I know that when you buy an automobile you can get information from the automobile magazines published by private enterprise and thus get an evaluation that way. That is the sort of information needed when it comes to traditional hard goods such as stoves, refrigerators, dishwashers and all those things that go into a modern home, to say nothing of bigger things such as furnaces and so on.

I have made my point, Mr. Speaker, that the general principles of these housekeeping amendments have my support. Second, I have taken advantage of this opportunity, in the general freedom of the debate on second reading, to put forward some proposals that are additions to the terms of reference, if you like, to be utilized by the National Research Council. Most of the additional things I have suggested I hope will be given attention by the minister. I hope he will apply the dynamics of his position to achieve the ends I have suggested, because they really come under the understood terms of the act.

I am suggesting that the work of the National Research Council, plus the work of government agencies such as Atomic Energy of Canada Limited and the work done by research people in the Department of Mines and Technical Surveys, the Department of Forestry and so on, should be brought together under the scientific committee of the cabinet. I think that the ministers on this committee, particularly the Minister of Industry, should take the tremendous amount of know-how, the tremendous amount of basic information, and try to give to industry all the available knowledge in order to put Canada in a more competitive position, both as to cost structure and the variety and quality of new products, vis-à-vis other nations. I think we should all be very glad to support the minister in any initiatives he might take even though such duties are not laid down for him in the act we are now amending.

The Acting Speaker (Mr. Rinfret): Order, please. Is it the wish of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

On clause 1—

Mr. Churchill: Mr. Chairman, I shall not take many minutes. I refrained from speaking on the other bill dealing with the advisory science council and also on second reading of this bill simply to expedite the business of the house and not because of lack of interest in the subject matters of the two bills. I had a long and profitable association with the National Research Council, Atomic Energy, Eldorado and other people engaged in scientific activity in this country. I look with favour on scientific progress. I think that the very capable and dedicated men who are doing scientific work in Canada should interpret the debate in the House of Commons as a commendation of their efforts. The very fact that we are not spending much time on these two bills is not because of lack of interest in parliament with regard to what is going on in scientific research but rather because of a general desire to get on with the job.

• (5:00 p.m.)

I propose to do no more than ask a few questions this afternoon. My hope is that the proposed changes will be to the general advantage of scientific development in Canada. Do I understand that the Science Council will not in any way supersede the National Research Council but will rather be of assistance to the National Research Council? Do I understand that the Science Council will give advice to the minister who will then pass on advice or direction to the National Research Council? In other words, is the situation such that we shall not find one organization treading on the toes of the other?

Next, I would ask the Minister this question. Will the National Research Council or, for example, the Atomic Energy Control Board, be represented on the Science Council so that they can give the value of their experience and advice to the council when it is considering long-range plans for the advancement of science in Canada?

These questions have arisen in my mind with regard to these two bills which, of course, have to be considered jointly.

Mr. Drury: I think it is safe to say there will be no phenomenon which might be described as treading on the toes as between the Science Council and the National Research Council. As I pointed out at an earlier stage, though in the past it was the duty of the N.R.C. to formulate a science policy for Canada and to advise the Canadian government thereon, the council has tended over the years to preoccupy itself with somewhat more immediate and possibly more pressing questions such as the operation of substantial and effective laboratories and the granting of financial assistance in support of research in the universities as well as making strides along the road indicated by the hon. member for Qu'Appelle in encouraging scientific research and development within industry itself.

The National Research Council has not tended to address itself to the larger issues of determining scientific objectives for Canada as a whole and making some measurement of priorities. It is because the National Research Council has not been in the habit of doing this that Dr. Mackenzie recommended the setting up of a Science Council of Canada. The Science Council will be undertaking a task which the N.R.C. is not performing so its work will in no way conflict with the operations of the N.R.C. I fully share the opinion expressed by the hon. member for Winnipeg South Centre of the excellent work which the N.R.C. has done in the past and which I hope it will continue to do.

So far as representation of the various government science agencies throughout Canada on the council is concerned, I would point out there are a considerable number of government departments and agencies, all of which are concerned with scientific research. If they were all to seek and be granted representation on the Science Council the latter would, I am sure, become an unwieldy body. We hope to have as members of the Science Council individuals who will be in a position adequately to represent the interests and the functions of government science.

Mr. Hamilton: One of the questions which worries me is this. There is usually a scientific committee of the cabinet and unless the cabinet contains a minister who takes a great interest in these matters, there is a tendency to allow the committee to become inactive. I believe the records will show that the ups and downs of the meetings of this particular committee over the past 20 years have been extremely noticeable.

Perhaps the minister will give us more information on this point. Am I right in thinking that the Science Council has the task of considering long-range policy? Does it then make recommendations to the Minister of Industry or to the science committee of the cabinet as was the case with all these agencies in the past?

Mr. Drury: The Science Council will report to a minister designated by order in council, not to the Privy Council committee on scientific and industrial research.

Mr. Hamilton: If the Science Council reports to a minister, what part does the scientific secretariat of the Privy Council play in this arrangement?

Mr. Drury: The scientific secretariat will in effect be the secretariat of the Science Council of Canada. I am sure the hon. member is aware of the importance of a competent secretariat in the operation of any advisory body, whose work, generally speaking, is fruitful or not depending largely on the effectiveness of the secretariat. Since the minister to whom the Science Council reports is subject to change, it was felt that the permanent location of the scientific secretariat should be in the office which provides general secretarial services for the government as a whole, namely, the Privy Council office.

Mr. Hamilton: This underlines my main cause for concern. If the line of communication is to a minister and if the secretariat of the Privy Council is used as a repository for these recommendations and the minister to whom the council makes recommendations can be changed, as I see it there is this weakness. The Privy Council comes under the Prime Minister and on occasions prime ministers are for months involved in matters other than science. There is always a tendency to set science aside as being a low priority item.

I was wondering whether there would not be some improvement now in the method of communication in the scientific field so that the danger of science being left in a backwater might be avoided. If these matters were reported to a minister with an active secretariat, we would be in a better position to ask questions in the house about what is

going on. We cannot expect the Prime Minister to answer detailed questions about events which are taking place in the scientific field though I agree it is logical to place this secretariat with the Privy Council which is responsible for all the government's secretarial facilities covering matters which concern several departments. The weakness is that we have to look to the Prime Minister for answers to questions. If there were some other minister that we in the house could ask questions of, then I personally would feel a good deal happier.

• (5:10 p.m.)

Mr. Drury: I do not think that the bill stipulates that the minister designated be the Prime Minister. I am much interested in the views of the hon. gentleman that science might be better served were the minister designated by the governor in council to be one whose duties are less onerous than those of the Prime Minister. The bill itself does not provide that the minister designated shall be the Prime Minister merely because the science secretariat happens to be in the Privy Council office. There is complete freedom on the part of the governor in council to choose any one of the members of the government as the minister to be responsible for answering questions to the extent that the bill provides in respect of the operations of the council.

Mr. Churchill: Obviously there is an administrative difficulty there but I am not certain I would be able to offer any solution. As I recall, because of the pressure of business on the cabinet it was difficult to give the attention that scientific matters should have received, and the committee which the hon. member for Qu'Appelle has mentioned has a long history of infrequent meetings. The minister named by the bill, unless he has some relationship to the National Research Council, would not be able to pass on the recommendations of the advisory science council to that body. But I do not expect we can solve that problem this afternoon.

Mr. Drury: I shall take note of that.

Mr. Knowles: Mr. Chairman, there is just a brief word I should like to say even though the matter to which I refer may not as yet have come directly under the National Research Council. However, I do think that the matter reported in today's issue of the Ottawa *Journal*, and perhaps in other papers throughout the country, is something which supports the idea of the government underwriting and assisting research work.

Naturally I have no idea whether the claim made is a valid one, but newspaper reports today indicate that Dr. V. A. Mirkovich, who is a civil servant, and his father, Dr. V. V. Mirkovich, who is retired, claim that they have developed a hormone which may prove to be a cure for cancer. The story, as it is found on pages 1 and 7 of today's Ottawa *Journal*, is a most exciting one.

On orders of the day I asked the Minister of National Health and Welfare a question about this report, and I took the liberty of characterizing it as possibly today's most important news. Even if these men have not achieved final success it would look as though they are making real progress. It would look as though mankind is on the way, and it would be a wonderful accomplishment for Canada if two Canadian scientists have achieved this tremendously important breakthrough in the field of human health.

As I say, this particular project may not be something that the National Research Council is concerned with, but it does demonstrate how much mankind owes to research and how important is the subject about which we are talking. The hon. member for Winnipeg South Centre is quite correct in saying that although the house may not be debating this legislation at length, we all recognize the tremendous importance of the subject. If perchance the report that has appeared today is correct, then I feel the names of these two Canadians ought to be on this day's records of this house.

Mr. Thompson: Mr. Chairman, following up what the hon. member for Winnipeg North Centre has said, this is an important point related at least indirectly to the legislation that is before us because here is an area in which the National Research Council ought to be taking more initiative. These two men are recognized scientists in their own right. For eight years they have been unable to get the necessary help for their research from any of the cancer research societies, nor I presume from the National Research Council. As a result they had to use their own meagre resources. They had to go to Mexico to carry out tests. If their claim has any merit at all, and I think it has because cancer societies in Canada are aware of it, then it is the kind of thing the National Research Council ought to be investigating and supporting.

The report in the newspaper goes into some detail on the discovery of the hormone by the father and son Mirkovich team. I would just add my support to what has been said and I

hope the National Research Council will follow up this type of research.

I cannot help but think back to when I was just a boy and one of my sisters died from diabetes not too many months before the Banting and Best team discovered insulin. At that time there was hope on the part of some and ridicule on the part of others, but today these two Canadians are looked on as great benefactors for their work in an area of research which has saved the lives of millions of people. In passing I would point out that in the eight years since the Mirkovich father and son team began working more than 2 million North Americans have died from cancer.

I would also draw attention to the results of other research announced last week. I refer to the work of three Canadian scientists in the federal Department of Agriculture, Drs. Gillespie, Peterson and Cook. Their discovery of the antibiotic myxcin has been hailed as a tremendous breakthrough. In fact, the Minister of Agriculture, when mentioning it the other day in a press release, said that these men were heroes for what they have done.

This is the kind of thing in which the National Research Council must be interested. I know it does great work, but in this area we are dealing with something that concerns the welfare and health not only of Canadians but of people all over the world. Assistance for this type of research is something we should support even if in some cases the research itself should not achieve ultimate success. It is a part of an over-all program for improving the lot of all mankind.

Clause agreed to.

Clauses 2 to 4 inclusive agreed to.

On clause 5—*Tenure of office.*

Mr. Hamilton: Is there any deep explanation for the limit of three years?

Mr. Drury: No, Mr. Chairman. The present act provides that appointments to the council shall be for a term of three years. From time to time there have been occasions when, through decease, resignation or otherwise, members have ceased to be members of the council half way through their appointments, but the subsequent appointments have had to be for three years. The council has a system of rotation whereby one third of its members will be renewed every three years. The council likes to do this on a particular date so that everyone starts off together and ends together. This provision will enable new appointees to fill out the remainder of a term rather than holding an appointment for three years ending at a non-conjunctive date.

Clause agreed to.

• (5:20 p.m.)

On clause 6—*Duties of Council.*

Mr. Hamilton: Mr. Chairman, this is the substantive clause.

> The Council has charge of all matters affecting scientific and industrial research in Canada that may be assigned to it by the Committee.

The committee is the committee of cabinet. Based on friendly experience in trying to get something new in the scientific research field, I find there comes a period in the life of a cabinet when it is decided that this must be done. So a secretariat to the cabinet is appointed which is a permanent body. Then the committee of cabinet may not meet for five, six, or seven years, and if it does not direct anything to the National Research Council the council continues and falls into a set routine of carrying out and finishing what they already have in motion.

My point is that under this clause, as I read it, the National Research Council does not have the right to take the initiative to embark on research unless such is recommended to it by the committee of cabinet. Is this right?

Mr. Drury: Mr. Chairman, the initiative in respect of the National Research Council arises sometimes from within the council itself, which is quite natural, and sometimes from within the government. The infrequency of the meeting of the Privy Council committee on scientific and industrial research is not a difficulty from which we are presently suffering. I do think that not only the committee itself but also the panel of advisers under the committee have been re-activated and in my view are doing the kind of work they should be doing.

There is no question that activity on the part of the panel or the scientific committee itself is needed. I think that now this is not in an unsatisfactory state. However, I suggest that the initiative for new ventures and new operations comes from the bottom for ap-instructions.

Mr. Churchill: Mr. Chairman, I take it that the minister does not consider this section is at all restrictive, no matter how it reads. I do not think it has been restrictive, in

any shape or form in the past. I believe that the National Research Council on its own initiative has instituted quite a number of investigations. I do not recall any question ever being raised which would limit its activities in any way and I hope that this will not be done now. However, when it comes to the allocation of funds the advisory council may feel that a certain course of action would be more profitable in the long run perhaps than some idea which has emerged from the National Research Council, but I hope it will not. Having in mind the limitation as to available money, I hope there will be no restriction on the activities of the National Research Council in initiating research.

Mr. Drury: I did not take it that in any way that was implied by the question of the hon. member for Qu'Appelle. There is no doubt about it; if the National Research Council were to rely on instructions from the government before proceeding to do anything it certainly never would have achieved the reputation it currently has.

I think the effect of this particular clause merely is to give a right to operate with authority in respect of all those things with which the scientific committee charges it. That is the way I understand it, and not in any way as limiting the activities of the National Research Council to a set of instructions provided from time to time by the committee.

Mr. Kindt: Mr. Chairman, may I ask the minister a question concerning the distinction between fundamental research, for which the National Research Council was set up, and applied research? If I understood what the minister said, there will be no curtailment of fundamental research at the National Research Council. I always have thought that research in Canada should go one step further and that there should be an agency for applied research directly geared to industry where the end findings of pure research can be applied to industry. In respect of this bill I am wondering whether the minister had applied research in the back of his head. What is there here which will deal with applied research?

Mr. Drury: Mr. Chairman, there is nothing in this bill which will deal more with applied research than there is in the unamended act. As I mentioned, the purpose of this bill is to make the work of the National Research Council generally more effective, to provide a clear and comprehensible framework within which it will operate with respect to the scientific council, and that is all.

Mr. Hamilton: Mr. Chairman, I think the hon. member for Macleod can get a pretty good idea of what is contained in the act by reading section 13 of the act which definitely includes applied research in many fields.

Clause agreed to.

Clauses 7 to 13 inclusive agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read the third time?

Some hon. Members: By leave, now.

Mr. Drury moved the third reading of the bill.

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

• (5:30 p.m.)

INDUSTRY

APPROVAL OF CANADA-U.S. AGREEMENT ON AUTOMOTIVE PRODUCTS

Hon. C. M. Drury (Minister of Industry) moved:

That it is expedient that the houses of parliament do approve the agreement concerning automotive products between the government of Canada and the government of the United States of America, signed on January 16th, 1965, and that this house do approve the same.

He said: Mr. Speaker, it was indicated in the speech from the throne that parliament would be asked to approve a resolution concerning the important agreement respecting production and trade in automotive products which has been concluded between Canada and the United States. Subsequent to the throne speech the following resolution was tabled in the house:

That it is expedient that the houses of parliament do approve the agreement concerning automotive products between the government of Canada and the government of the United States of America, signed on January 16th, 1965, and that this house do approve the same.

There is a great deal of interest in the agreement and I am sure members will wish to have a report on developments under it and the automotive program generally.

The automotive industries are a major sector of our economy, not only because of the magnitude of their production and the large numbers of workers they employ but also in terms of their requirements for a wide array of industrial materials and services. Like

many other secondary industries in Canada, however, the automotive industries traditionally have faced the problems of manufacturing for the limited Canadian market. No matter how carefully the Canadian vehicle and parts producers managed their businesses, no matter how diligently they took advantage of the latest technologies, they faced higher costs than those of their competitors outside Canada. To overcome these and related problems, the automotive program was introduced.

Costs for Canadian vehicle producers have been higher than for their parent companies because of three factors: first, the higher costs associated with short run assembly and manufacturing operations; second, the duty payable on imported parts and, third, the cost of writing off tooling and facilities over much smaller production volumes. The proliferation of style and variety intensified the problems of short runs. The multiplicity of models added greatly to costs when applied to a production volume of 600,000 automobiles annually.

What were the consequences of these factors for the industry and for Canada? First, and perhaps most important, costs and prices were appreciably higher in Canada than in the United States. Second, the motor vehicle industry in Canada was becoming increasingly dependent on imported components. Because of the limited volume of Canadian production it was not economic to produce many parts in Canada. The trend to greater variety resulted in even shorter production runs being available to Canadian parts makers, thereby making it increasingly difficult for them to meet United States competition. Because of these developments, Canadian content was not growing in the production of motor vehicles in Canada. Third, for the reasons just mentioned, imports of vehicles and parts into Canada were increasing rapidly. In 1960, Canada imported $581 million of such products, whereas in 1964 imports had reached $833 million, an increase of $252 million. Fourth, exports of Canadian made motor vehicles and parts were relatively small. Higher costs of production, foreign tariffs and institutional barriers to trade made it difficult for Canadian producers to compete in other markets. In 1960, exports of Canadian vehicles amounted to only $33 million, while parts exported were valued at $42 million. Fifth, employment in the industry was prevented from expanding to levels which might be reasonably expected if these obstacles were removed.

In order to explore means of dealing in the most effective manner with these serious problems, the government entered into detailed discussions with Canadian motor vehicle and parts manufacturers. After careful consideration of the various alternative courses of action, it was agreed that the problems of short runs, variety, high costs and the rapidly expanding trade imbalance could best be countered by gaining access for Canadian products to the much larger total North American automotive market.

Following these discussions with the Canadian automotive industries, the Canadian government entered into negotiations with United States government representatives in the spring of 1964 with a view to obtaining the removal of tariff and other governmental barriers to trade between the two countries. These negotiations, which involved numerous meetings both in Ottawa and Washington, were successfully concluded on January 16, 1965, when the Canada-United States agreement on automotive products was signed by the Prime Minister (Mr. Pearson) and the President of the United States.

This agreement is one of the most important and imaginative trading arrangements ever made between our two countries. Under its provisions Canadian made motor vehicles and original equipment parts enter the United States free of duty. On the Canadian side, vehicles and original equipment parts may be imported duty free by a Canadian vehicle manufacturer who meets a number of specific requirements. These requirements are set out in a tariff item which forms a part of the Canada-United States agreement and in the letters of commitment to the Canadian government signed by each of the vehicle producers. Each vehicle producer in Canada must meet the following conditions:

1. It must maintain the same ratio of vehicle production in Canada to vehicle sales in Canada that existed in model year 1964.

2. It must maintain Canadian value added in vehicle assembly in Canada at least equal to that achieved in model year 1964.

3. It must increase Canadian value added by production or purchases in Canada equal to 60 per cent of increased sales over those achieved in the model year 1964 base period.

In addition to the requirements which I have just mentioned, vehicle producers must increase total production or purchases in

Canada, by $260 million annually by the 1968 model year. This amount is over and above the increased Canadian production of vehicles or purchases of parts achieved through growth in the market. It is also over and above the Canadian value added which was achieved in the 1964 model year base period, and which must be maintained each year.

Duty free entry of auto parts into Canada is also available to parts makers if they are for use in Canadian vehicle production.

These provisions mean that, for the first time in the history of our trade relations with the United States, we have an arrangement which recognizes that the differences in size, financial strength and in the relative development of our industries require special provisions to ensure that Canada, in fact as well as in theory, derives real and reciprocal benefits from trade agreements between the two countries.

Moreover, this agreement recognizes that it is necessary to do away with institutional barriers to trade as well as formal governmental barriers, if Canadian industries are to be able to participate effectively in the United States market.

Another important feature is the acceptance of the principle that Canadian industry is entitled to a reasonable transitional period to facilitate its adaptation to production for the larger international market. Furthermore, the agreement places the automotive program on an agreed basis, thereby giving companies in both countries reasonable assurances about its permanence and status.

Already the program and the automotive measures adopted earlier by this government have had substantial beneficial effects. To date, the industry has announced the expansion of or concrete plans for expansion of 136 plants. In addition, it has announced the establishment of 69 new plants in Canada, making a total of 205 plant expansions or new plants. This expansion includes assembly facilities for cars, production and assembly facilities for trucks and buses, technologically advanced engine plants, a large new trim plant, new installations for commercial vehicle frames, stamping plants and other facilities to manufacture efficiently many other automotive products.

Many of these new and enlarged facilities are being designed to service not only the Canadian market but the United States and other markets as well.

• (5:40 p.m.)

Expansions are also taking place in the materials, supplying and service industries which rely upon the automotive industry as one of their major customers.

Production during the first year of the automotive program has totalled over 855,000 motor vehicles, a 27.5 per cent increase over the same period in 1964 and a 36 per cent increase over the same period in 1963. The value of shipments of motor vehicles parts and accessories for model year 1965, the latest complete production year, shows a 51 per cent increase over model year 1963, which was the last model year prior to the introduction of this government's automotive measures in the fall of 1963. During the first 12 months of the program the average number of workers in the automotive industries has increased by almost 10,500 persons, or 16 per cent, over 1964. More than 4,700 of these additional jobs are in the auto parts industry.

Exports of Canadian automotive products have increased greatly under the program. During 1965 exports to all countries amounted to $362 million, an increase of 275 per cent over the same period in 1963 and 94 per cent greater than in 1964. Imports, on the other hand, increased by only 33 per cent in the first 11 months of 1965 compared with the same period in 1964. Exports to the United States during 1965 increased to $231 million compared with $99 million during 1964 and only $40 million in 1963. This represents annual increases of 133 per cent in 1965 over 1964, and 147 per cent in 1964 over 1963. Over the two-year period there was a 475 per cent increase.

This substantial increase in Canadian exports has contributed favourably to our balance of payments and trade. For many years Canada has had a large adverse balance of trade in motor vehicles and parts. This imbalance had increased sharply in recent years, largely because of the expansion in the Canadian automotive market and the fact that Canadian production has a high import content. Between 1961 and 1964 it grew from $476 million to $646 million, with the greater portion of the deficit caused by imports from the United States.

In the absence of the automotive program, the record growth in the market for automobiles during model year 1965 would certainly have resulted in a further major increase in Canada's adverse trade balance in automotive

products. For example, if Canadian automotive exports had continued at the 1962 level the imbalance would have grown by $183 million in model year 1965, compared with the previous model year. Instead, the actual increase was approximately $19 million. This is an increase of less than 3 per cent, whereas in 1964 the increase in the imbalance over 1963 was 21 per cent.

One of the major objectives of the program is to enable Canadian producers to reduce the costs, and consequently the prices, of their products. In September of last year I stated that we should see a progressive narrowing of the differential in manufacturing costs of automobiles between Canada and the United States as the automotive program was implemented. I was most pleased, therefore, when an examination of Canadian manufacturers' prices for 1966 models which sell in greatest volume showed appreciable decreases from the prices of comparable, similarly equipped 1965 model cars. Furthermore, the Canadian prices for 1966 models resulted in an appreciable narrowing of the price differential between Canadian and United States prices for comparable models of popular cars.

When the 1966 models were introduced, General Motors announced price reductions averaging $72 per car. Ford announced reductions averaging $62 per vehicle. At the same time Chrysler announced price reductions ranging from $38 to $126 per car. These price reductions and the comparisons of price differentials are stated in terms of factory wholesale prices, which is the only level at which reasonably accurate comparisons can be made. Retail prices both in Canada and the United States vary greatly for a number of reasons. Transportation charges from factory to dealer differ within both countries; sales taxes vary from province to province and state to state; dealer profit margins differ from agency to agency; options on the same model of car normally show wide variations and greatly affect prices. Because of these many variable factors, attempts to compare prices at the retail level are very difficult to make accurately and are quite frequently misleading.

For the popular models of 1965 cars the average factory wholesale price differential between Canada and the United States was somewhat less than $150, or 8 per cent. Because of the price reductions announced in October, this differential was reduced by 3 per cent to 5 per cent for current models. This, I would suggest, provides clear evidence that the automotive program has already had an appreciable beneficial effect for Canadian consumers.

During the brief time that the automotive program has been in effect, automotive parts producers have increased their business substantially. To illustrate this point, one large motor vehicle manufacturer in Canada has increased its sourcing with independent Canadian parts producers by $120 million over model year 1964. This is an increase of more than 80 per cent in its purchases from independent Canadian parts makers.

It is important, I suggest, to relate these facts to statements which have appeared in the press and have been made in this house that the independent parts makers would receive less business under the program. There have also been statements that millions of dollars of business was being taken from the Canadian parts makers and transferred to the United States. I think the figures I have just referred to clearly show that Canadian independent parts makers are gaining a great deal under the program.

There is no doubt that significant progress is being made in reducing institutional barriers resulting in a freer flow of Canadian vehicles and components to the United States and other markets. At the same time, it cannot be expected that deeply-rooted customs and practices of doing business in this industry can be changed in a few months. Purchasing agents in the United States have for many years been in the habit of obtaining practically all their needs from the large United States parts industry. Until the introduction of the automotive program they hardly ever considered parts producers in Canada as a source of supply.

We have been informed by senior representatives of the motor vehicle industry that appropriate steps have been taken to provide equal opportunities for Canadian producers to compete for North American business. Nevertheless, during the period of transition special problems will inevitably emerge which will have to be dealt with expeditiously and equitably to ensure that the purposes of the program are achieved with a minimum of disruption. The department is keeping in close touch with developments in the industry so that problems can be anticipated and dealt with promptly.

I should like to assure members of the house that a thorough review will be undertaken within a reasonable period of time to

determine whether the majority of the institutional barriers to trade have in fact been removed.

• (5:50 p.m.)

Also, periodic reports are being obtained from the industry regarding the attainment of the objectives and the fulfilment of commitments under the program. Furthermore, provision is made in the Canada-United States agreement for a review late in 1967 of progress in achieving the aims and objectives of the agreement.

I have outlined somewhat briefly the measures which the government has introduced to enable the Canadian automotive industries, and particularly the parts makers, to adapt their production and their facilities to the new and expanded market conditions in an orderly manner. However, a major economic program of this nature is bound to require transitional adjustments for some workers and firms. For example, many parts makers are finding that the increased demand for their products means that they can only produce in sufficient volume if they substantially re-equip and expand their facilities. In numerous instances, whole new plants are required and are being provided. In order to ensure that no Canadian parts producer is prevented, by a lack of available financing, from modernizing or expanding his facilities in order to take full advantage of the opportunities afforded by the program, the government has established an adjustment assistance fund. This fund is administered by an adjustment assistance board under the chairmanship of Dean Vincent Bladen of the University of Toronto.

The board is authorized to make loans at an interest rate of 6 per cent and repayable over not more than 20 years for land and buildings and 10 years for other purposes. To date, 13 loans amounting to approximately $10.3 million have been made and a number of additional applications are being processed and under consideration.

Provision has also been made for transitional financial assistance to workers laid off from plants in Canada of manufacturers of motor vehicles or motor vehicles parts because of the agreement. Because of the relatively buoyant market for skilled labour in the economy generally and in this industry in particular, only a small number of applications have been received for benefits under this program.

In summing up, I believe that the success of the automotive program is more than amply demonstrated by the new investments, the increased employment, the expanded production, the greater efficiency, the higher exports and the narrowing in the Canada-United States cost differential for vehicles. The program has brought new employment opportunities and greater prosperity for Canadians and has made a major contribution to the further development of secondary industry in Canada on an efficient and competitive basis. I therefore urge the house to give this resolution strong support and endorsation.

Mr. A. D. Hales (Wellington South): Mr. Speaker, as the time is now five minutes to six perhaps I could just outline the steps I propose to take in speaking on this resolution which is before the house asking us to give approval to one of the most important pieces of legislation that has ever come before this honourable chamber for many years or, as the minister said, I believe, that has ever been introduced in this chamber.

I should like to make a few introductory remarks and then I should like to proceed under four headings with the objections which we on this side have. The first point is the method by which this whole matter has been handled by the government. The second is the delay in bringing this important matter before the house. Third, what are some of the things which we might expect this great auto treaty will do in the interest and for the benefit of Canada? Fourth, what have been the results as we have seen them to date?

With those few introductory remarks, Mr. Speaker, I should like to call it six o'clock.

The Acting Speaker (Mr. Rinfret): Is it agreed to call it six o'clock?

Some hon. Members: Agreed.

PRIVATE BILLS

AETNA CASUALTY COMPANY OF CANADA

Mr. A. J. P. Cameron (High Park) moved the second reading of Bill No. S-4, to incorporate Aetna Casualty Company of Canada.

Mr. Howard: Mr. Speaker, I wonder whether the sponsor is going to outline the purpose of the bill or shall we proceed to operate in the dark?

Mr. Cameron (High Park): Mr. Speaker, this bill seeks the incorporation of a company

under the Canadian and British Insurance Companies Act to carry on business in all classes of insurance other than life insurance. The bill was introduced in the last session of parliament and was passed by the Senate on June 30, 1965, but received only first reading in the House of Commons before parliament adjourned.

The proposed company would be a subsidiary of the Aetna Casualty and Surety Company of Hartford, Connecticut. The Aetna Casualty and Surety Company is a corporation carrying on a substantial general insurance business in the United States of America with its head office at Hartford, Connecticut. The Aetna Casualty and Surety Company, with its subsidiary, the Standard Fire Insurance Company, carries on business throughout the United States of America and in all classes of insurance for which application is being made in the bill to incorporate the Canadian Company.

The Aetna Casualty and Surety Company was incorporated in 1907 and operated as a partially owned subsidiary of Aetna Life Insurance Company until late in 1964, at which time a reorganization was effected under which all the shares of the Aetna Casualty and Surety Company were transferred to and are now held by trustees for the shareholders of Aetna Life Insurance Company.

Aetna Life Insurance Company was incorporated and commenced to carry on business in 1853. It now carries on business throughout the United States of America and is one of the largest multiple line insurance organizations in the United States. Aetna Life Insurance Company commenced doing business in Canada over 100 years ago.

The Aetna Casualty and Surety Company of Hartford has conducted business in Canada for some years and has held a certificate of registry under the Canadian and British Insurance Companies Act for the past 47 years. A substantial part of the business conducted by the Aetna Casualty and Surety Company has been related to business conducted by the company with United States corporations having subsidiaries operating in Canada. A certain amount of direct business has also been carried out, especially in connection with major risks, an example of which is the liability insurance for Expo '67. The company has not maintained any offices in Canada but has carried on its Canadian business through agents, Dale and Company of Montreal.

[Mr. Cameron (High Park).]

Aetna Casualty and Surety Company has been reviewing its operations in Canada and has concluded that it would now be desirable that its direct Canadian business should be carried on by a Canadian company incorporated under the Canadian and British Insurance Companies Act. It is felt that this step would enable the Canadian operations of the company to be developed more effectively and with greater Canadian participation in the conduct of the business.

It is proposed that the head office of the Canadian company, incorporation of which is proposed in Bill S-4, will be in Toronto. Because the scale of operations in the first instance will be small it is not proposed at the outset to establish a large staff, but the experience and the services of the Hartford company will be available for the assistance of the Canadian company.

The Aetna Casualty and Surety Company is convinced that the general insurance field in Canada is an expanding one in which a new Canadian company would have an opportunity to share without adversely affecting existing companies.

It is proposed that the new Canadian company will from the outset be prepared to undertake all classes of business. While the bill provides for a minimum paid in capital of $500,000 together with a contribution to surplus of at least $500,000 before the company commences business, it is the expectation of the Aetna Casualty and Surety Company that in fact the paid in capital and contributed surplus will be in excess of these amounts before the company commences to carry on business.

• (6:00 p.m.)

Mr. Frank Howard (Skeena): Mr. Speaker, first of all may I express appreciation to the hon. member for High Park (Mr. Cameron) for his fairly broad explanation which gives us a better understanding of the effect of the bill and of the company itself than might otherwise have been the case. I gather that in so far as writing insurance or participating in the insurance business is concerned, it really does not matter very much whether the bill passes because the company is in business through its United States parent and is writing insurance now. At least, that was the understanding I gained from the remarks of the hon. member for High Park.

The desire to incorporate a company in Canada under Canadian law permits of a bit of subterfuge and allows a company to capitalize on the psychology of Canadians who

like to see Canadian companies incorporated in Canada doing business in Canada. Yet in the over-all scheme of things the ownership and control of this company will not be here at all but in a foreign country.

Much was made some time ago of the provision in the Canadian and British Insurance Companies Act which requires a majority of the directors of any company, and in the case of a company having more than one class of director, the ordinary directors or the shareholders' directors as the case may be, at all times to be Canadian citizens ordinarily resident in Canada.

Some of us advanced the reasoning in so far as companies other than insurance companies are concerned that this was thought at the time to be one way in which a company might think Canadian and act Canadian to a greater extent than might otherwise be the case. It was reasoned that if it was a requirement that the directors be Canadian citizens at all times ordinarily resident in Canada, this in itself would bring about a different psychology among the board of directors to the point that they would act, as the Minister of Trade and Commerce (Mr. Winters) indicated a few days ago in his letter to foreign subsidiaries, as good Canadian corporations under the act.

If there is a desire to develop Canadian ownership and control of companies, to see companies operated in such a way that they are beneficial to Canadians first and foremost, then the mere requirement that the majority of the directors be Canadian citizens at all times ordinarily resident in Canada is not nearly sufficient. As we know, Mr. Speaker, money talks more powerfully than people, and in the field of insurance, as in other businesses, only scant recognition is given to international boundaries. The prime concern of these companies is the colour of the ink used to tally up the year's operations. Such being the case, the interest of companies like this one in things Canadian becomes secondary to their desire to be economical—I could say "efficient" by way of another euphemism—or, more properly, their desire is to conduct a profitable operation.

Therefore, Mr. Speaker, I am not persuaded too much by the argument that this company will be a Canadian company incorporated in Canada under Canadian law, with its head office in a Canadian city, or that this fact in itself will do much to augur well for Canada when the control of the company is in the hands of a group outside of Canada. It also seems to me that this bill, seeking as it does to enable the company to write insurance from A to Z, which it does literally if one looks at the types of insurance in which the company wishes to engage—the whole alphabet has been exhausted in listing the various categories—should not be before us, because there is contained in it eight clauses which are spread over just a little more than one full page. The key part of the bill, the clause which carries the most weight, is clause 8 which states:

> The Canadian and British Insurance Companies Act shall apply to the Company.

The Canadian and British Insurance Companies Act extends to some 111 pages in the booklet I have in my hand and contains innumerable sections going well beyond 150 in number. The Canadian and British Insurance Companies Act is the controlling legislation here, not the bill now before us. All that the bill currently before the house does is to indicate that certain people desire to form a company. It gives the name of the company, the capital structure and the type of insurance the company wishes to write. I would submit, as I submitted earlier with respect to other bills, Mr. Speaker, that it is a much more desirable end not to have parliament waste its time considering the incorporation of such companies, and in saying that I make no disparaging remarks about this company. I simply say we have gone far beyond the point where this sort of business should be the business of parliament.

In this house we are concerned with public business. Every day someone or other makes the statement that parliament is wasting its time, that parliament is not getting down to public business. Yet the government, which has been reminded of this time and time again by myself, persists in clinging to this archaic system of forcing people who want to incorporate an insurance company to go through the parliamentary mill, to proceed through all of the tortuous processes in the other place, and simply in order to do business under a public statute, in this case the Canadian and British Insurance Companies Act.

I have not looked too thoroughly at that act in so far as powers of incorporation are concerned, but presumably it is because of the terms of that act that Aetna Insurance, for example, and other companies of a similar nature have to come to parliament. I know this line of reasoning can perhaps be

looked upon as being outside the ambit of second reading of this particular bill.

• (6:10 p.m.)

But it is a crucial and important point because the bill before us is one that is consuming the time of parliament. Whether it is examined scantily or in depth, it is consuming the time of parliament and of its staff because we are dealing with something which should not be here.

We have asked the government house leader to take steps by way of a public bill and bring in an omnibus piece of legislation which will permit groups such as Aetna Insurance Company to become incorporated in the same way as other companies, by going to a lawyer, asking him to do whatever is necessary and filing documents with the companies' branch to obtain letters patent to incorporate the company.

We think that is a much more sensible way to do things. There is relatively little interest in parliament whether Aetna Insurance Company is ever incorporated. Members of parliament have far more important things to consider. On their minds are matters concerning the very social structure of our nation and its economic well-being. They are the things parliament should deal with.

I should like to see this hour devoted to other kinds of business; whether it be government business, the introduction of public bills or the business of the public of Canada generally does not matter. I do not want to see the business of a few private individuals dealt with who are seeking to capitalize on the psychology that exists in Canada that a company incorporated by parliament somehow is better than one incorporated normally.

Whether the capitalization is $5 million or $50 million does not matter. Whether the shares are $50, $5 or 5 cents does not matter. I am sure it does not matter to the hon. member for High Park. It does not matter to members of our own party who will make up the initial board of directors. It does not matter what their names are, where they live or what are their occupations. Most of the other things in the bill do not matter very much either.

I submit that in this hour we should be seeking ways and means of preventing bills such as this coming before parliament. Public business generally ought to be dealt with. It does not matter whether it is an amendment to the Canadian and British Insurance Companies Act or something similar.

[Mr. Howard.]

We do not require this tortuous process of incorporation for most other companies and I do not see why we should require it for insurance companies. Alternatively, we ought to require that all companies in Canada engaged in all sorts of business must be incorporated in this way. You cannot make fish of one and foul of the other. That, I submit, is grossly unfair.

I do not enjoy discussing Aetna Insurance Company. I do not enjoy the prospect that may be before the hon. member for High Park who in good faith is the sponsor of this company. I do not enjoy his having to proceed through this hour without his dream coming to realization, if that is what he wants. I do not enjoy the prospect of having to sit with other members in committee to go into the details of the operation of the company. I am sure there is not a solitary member in the house who enjoys such a prospect. I am sure all of us would much rather spend this period of time dealing with public business and not with the private business of those who want to enter the insurance field under Canadian law.

I hope that some day our words will carry weight with the government and especially with the Minister of Public Works as house leader. We hope he will see it is necessary to bring in a law providing for companies such as this to be incorporated in the same way as other companies.

We may have to persist in consuming the time in each private members' hour by talking on whatever bill happens to be before us. This is a regrettable course to take but we know from experience that often it is the only way to get action by this or any other government we have had in recent years. It is a course that has to be persisted in. We may be obstinate about it and sometimes incur disfavour and dislike among other hon. members who are affected in any way by the filibustering. However, that is not a prospect from which we shrink.

Perhaps, Mr. Speaker, this bill will receive second reading tonight and be referred to the appropriate committee. Perhaps it will not. In the long run it does not matter whether the bill passes. First, the company is in business and will still be in business and, second, one of these days the government is going to come to its senses and produce a general public law which will, I am sure, receive easy passage through parliament so that companies such as this one will not have to come to parliament in future.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, while I certainly agree with my colleague the hon. member for Skeena that it is essentially a waste of time for the parliament of Canada to deal with these insurance company bills and others like it, nevertheless it does give me an opportunity to discuss something which will be quite in order and which has disturbed me for some years since I came to Ottawa. I refer to the proliferation of insurance companies in this country. Never a session goes by but that we have a number of insurance company bills on the order paper. I note that there are five now including the one we are discussing today. I want to assure my clansman from High Park that it merely happens to be his bill on which I am going to hang my remarks.

I think it is very appropriate that at this time we are discussing this bill, which is to incorporate a branch plant, shall we say, of a United States corporation, within the context of the speech of the Minister of Finance (Mr. Sharp) to which such prominence was given in the newspapers this morning. The minister was dealing with some of the acute problems facing the Canadian economy. You will recall, sir, that he was emphasizing the necessity for taking steps to offset the ever-increasing United States ownership of the Canadian economy and suggested that in order to do this we must encourage the generation of Canadian capital in order that Canadian capital can be involved in the development of our country. In connection with this bill I would point out, as I did a moment ago, that we have a continual proliferation of new insurance companies. The point I want to stress is that in our modern economy one of the most important methods of pooling the savings of the Canadian people and carrying out the wish of the Minister of Finance with respect to the generation of Canadian capital is by means of insurance.

• (6:20 p.m.)

I have noticed that in spite of the fact that we have more and more insurance companies incorporated year after year, in spite of the great myth of competition which is supposed to be so beneficial, the cost of insurance does not appear to be down. If anything, it appears to be continually rising. In fact, in some fields, particularly in the field of car and accident insurance, the cost has risen at such a rate as to give rise to public protest across Canada.

I think the answer is not far to seek. Far from there being genuine competition which will bring down insurance rates to the public, all we have seen is an increase in overhead costs, all of which has to be borne by the policyholders, and the division and disintegration of the pools of savings which have become available to the insurance industry in this country.

It is obvious that when conditions exist such as exist in the insurance industry today, when, for instance, the mere renewal of a policy which would perhaps occupy the agent concerned for about 10 minutes nets him between 10 and 30 per cent of the face value of the policy, the more insurance companies we have the less chance there is to accumulate the capital which the Minister of Finance is suggesting is our major concern.

Particularly is this the case with regard to a company such as the one which the hon. member for High Park is seeking to have incorporated today. This is merely another branch plant operation. If it is established and if it is successful, it will constitute a further drain on the resources of Canada and render us less able to combat the growing concern which is disturbing so many Canadians, the ever-increasing sector of our economy which is falling into United States hands. It will add, as have all the recent developments in this area, to our balance of payments problem though in a minor way, I suppose, since I gather this company is not to be a very big one.

If we examine the history of existing insurance companies which are branch plants of United States corporations we find that a large proportion of the funds they have accumulated from the Canadian people are invested in the United States. And in cases where they are not incorporated Canadian companies a large share of the profits is funnelled to the United States, adding to our balance of payments problem.

I think it is time the government of Canada and the governments of the various provinces took a serious look at the insurance business and considered carefully whether the number of companies engaged in it should be allowed to grow without any serious check simply by getting an hon. member to sponsor a private bill on their behalf and hiring the necessary legal talent. All this, it seems to me, increases the cost of insurance to the Canadian people while, as I say, breaking up and disintegrating the pools of capital formed by the savings

of Canadians, funds which could be pooled under public auspices.

I can think of one particular type of insurance which it seems to me it is altogether improper to leave in the hands of private companies. It is, of course, a preposterous situation that any private corporation should be placed in a position where it can tell me whether or not I can drive a car on the roads of this country. This is what happens when we leave insurance in private hands. The same argument could be applied to a number of other insurance fields into which the company we are considering is proposing to enter. I suggest that insurance coverage could be provided much more cheaply and much more effectively under public auspices than under the auspices of the various insurance companies.

If year after year we allow new insurance companies to become incorporated, these companies will have to fight for their share of existing business. The hon. member for High Park tell us the volume of business is growing. Of course it is. Our population is growing and the incomes of our people are rising. But they are not rising at anything like the rate at which insurance companies are proliferating in this country and I suggest that the more lucrative this field becomes the more insurance companies will try to enter it. In order to survive they will have to keep premium rates high, higher than they are now, thus causing increasing hardship to the Canadian people.

The insurance business to my mind is one of the very weak spots in our economy from the viewpoint of its contribution to the welfare of the Canadian people. I have watched it over the years both in the house and in the committees which have dealt with this subject and I have had an uneasy feeling that what I have been observing was merely, shall I say, the barnacles attached to the economic barque. One might use an even better marine analogy and say these companies are something like the lampreys which I understand are destroying the edible fish in the Great Lakes—parasites on our economy.

These companies draw very large sums from the savings of the Canadian people and give very little in return. In fact, I think it would be almost impossible to find any area in which Canadian citizens can be sure of getting so little in return for the money they invest. And the more insurance companies we allow to be incorporated the less will be the money Canadians will get in return for their contributions in the form of premiums.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

I urge the government to take a serious look at what is going on in the insurance business in Canada today. If they do not already know these things, I suggest members opposite should walk along the main street of any sizeable city in Canada and they will find that every real estate office advertises itself as an agent for one or more insurance companies. They will find insurance agents by the score along any business street in the country.

• (6:30 p.m.)

They are deriving a livelihood out of the savings of the Canadian people which, as our Minister of Finance has told us in very emphatic terms, must be made available for the development of our country if we are to escape the fate that he and his predecessor in office appear to see before us due to foreign ownership of our economy. So, as my colleague from Skeena says, it will not make any difference to the people presenting this bill whether or not the company is incorporated. They will go on doing this anyway.

However, I hope the government will realize it is going to hear something about this each time this sort of insurance bill comes before us until it is prepared to take a serious look at what is happening to the Canadian citizen when he seeks protection in the form of fire insurance, accident insurance and all the other types of insurance listed in this bill.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I join those who indicate concern at the increasing number of insurance companies being incorporated. It seems true, however, that only a few major companies are involved, the rest being ancillary, and it seems that the individual insurance agent acts for a large number of these companies on a fairly indiscriminate basis.

When I go to an insurance agent to buy insurance he usually looks in his drawer and pulls out a policy issued by a particular company, but it does not seem to matter to him which company it is. It is rather like the man who is owed a debt and who does not really object if he does not get paid so long as the debtor puts his bill in the hat when he is choosing which one to pay.

Insurance companies drain off a large amount of money from our nation and it is something over which the country has little control. The last budget pointed out that we should have more control of finance and the

distribution of finance for the development of our country.

Each year our order paper shows a large number of companies seeking incorporation, and it appears that there will be absolutely no value to the Canadian public if the Aetna Insurance company is incorporated. It is not going to do Canada one bit of good. It is not going to do one individual citizen one bit of good. Therefore its incorporation must be for the benefit of the people forming the company.

The list of things which the company proposes to do is lengthy but many of them will be of little concern to the average individual in Canada. The list is synonymous with those provided by most other companies of this type.

Insurance companies share in the risk that they underwrite. It is safe to say that this company will not hurt the situation in Canada but in my opinion it is not going to help it. I believe members of parliament should look at the matter from a Canadian point of view.

The sponsor of the bill should give us a reason for incorporating the company. In passing may I say I do not know why, under our parliamentary system, the same hon. member is willing to sponsor a number of these companies. It may be that they are divvied around and that his turn comes up oftener than any other hon. member. I presume he has no knowledge of the people applying for the incorporation although he may have spoken to them.

Of the names mentioned in the bill three are those of counsel. Therefore I presume they have no particular interest in the incorporation and that the main people involved are Albert Bruce Matthews, executive, and Melvin Kirkland Kenny, insurance executive. It is true that the company meets the requirement of the act to have $500,000 in their possession before starting operation, and this is to be divided into shares of $50 each. If this bill were going to establish a mutual benefit society covering a large number of people there would probably be some justification for it but I believe there is no justification for the establishment of this company.

I did not hear anything said by the sponsor of the bill and so I am not aware whether Aetna was a name chosen from a hat, but I suspect Aetna is the name of a company in the United States which will have an interest in this company and will provide the $500,000 immediately. If this company is to be an extension of Aetna Casualty of the United States or Aetna Life Insurance or the Aetna Sickness and Accident Insurance Company, with several of which I have had previous dealings, it will turn out to be a well financed and normally operated insurance company. Therefore it will meet some of the criteria.

However, this raises the problem mentioned by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) of keeping in Canada the money earned by these companies and preventing expenditures being made in the United States. We have a deficit with the United States because hundreds of similar companies are able to take a large amount of money out of Canada.

One stipulation made by our Department of Insurance is that insurance companies operating here must at all times retain sufficient money to cover current liabilities. Therefore I presume this company will retain enough money in Canada for that purpose.

• (6:40 p.m.)

We are faced with many of these companies which are only extensions of existing companies. I suppose it is a little like the analogy I drew a few moments ago of the storekeeper who does not object to the person who owes him money putting his name in a hat and drawing to see whom he will pay on pay day. I suppose this happens in respect of insurance companies and many of these insurance companies perhaps think to themselves, if we have 100 companies the chances of the name of one of our subsidiaries coming up more often is quite possible. This may be one of the reasons this is done.

In this country we should face the matter of insurance fairly and squarely and demand a reasonable return on the money invested so that we will get a fair break in the insurance rates. I think it also is true, when an insurance agent reaches into a drawer in his office, that no matter what the name of the insurance company is on the policy he draws out, whether casualty insurance or some other kind the premium on the policy will be identical with the premium of almost every other company for the same kind of policy.

If I thought that was not correct, the next time I buy fire insurance or some other kind I would ask for a comparison of the rates, but I have discussed this matter with insurance agents and they say it really does not matter which insurance company they insure me with because there is a set price anyway and

it is so much a hundred based on the facilities provided in the area in which one lives.

There is a total monopoly in the insurance field. There is absolutely no competition in insurance. If you get automobile insurance from Aetna Casualty Company of Canada, it will cost exactly the same amount it would cost had you taken it out through Aetna Insurance, General Insurance Company, Aetna car insurance company, Aetna auto insurance company or whatever other companies these people may have. So there is no competition. There is no justifiable reason why we should create a large number of additional companies when no service is being provided.

I am not aware of how the Department of Insurance, acting under the federal statute which provided for its creation, interprets several of the clauses which are included in the Canadian and British insurance Companies Act. The act does say, however, in the preamble:

> Whereas the insurance business transacted within and outside of Canada by companies incorporated by the parliament of Canada, and by the legislature of the late province of Canada, and within Canada by British insurance companies, constitutes an important factor in the international and interprovincial trade and commercial relations of Canada; and
>
> Whereas it is contrary to the public interest that insurance companies which are unable to discharge their liabilities to policyholders in Canada as they become due, or are otherwise insolvent, should be permitted to carry on the business of insurance in Canada—

It goes on to state what protection is provided. I think it is interesting to note the section which says that the establishment of these insurance companies constitutes an important factor in international and interprovincial trade and commercial relations in Canada. I believe this is true.

Therefore when we incorporate this company or any other insurance companies without any knowledge of whether or not it is in the interests of Canada, whether it is serving an individual purpose or is creating the possibility of additional coverage to that provided already by hundreds and possibly thousands of companies in Canada, it seems to me to be a waste of our time unless we collect a sufficiently large fee so that lawyers will really feel it is to their advantage to pursue the incorporation of these companies.

The other side of the coin, of course, would be the benefit received by those who hold shares in these companies because of the large amount of money invested by them.

[Mr. Peters.]

The day will come very shortly when many types of insurance being underwritten by this company will not be carried by private carriers at all. That will be the day when we eventually decide to cover some of these items, and I will refer to several of them. One would be automobile insurance, another aircraft insurance, another guarantee insurance which is underwriting insurance or insuring insurance; another would be marine insurance which is becoming increasingly important with the advent of power boats and the large amount of equipment being used in a recreational way throughout Canada, a fairly recent innovation.

Sickness insurance obviously is a type of insurance which the federal government is considering in its intention of providing sickness and accident insurance through a national plan for all Canadians. Then there is another one which should be of national significance and that is weather insurance, if it means what it says, insurance against weather. There are many factors which go into bringing about a change in weather including a recent innovation which has come to my attention in northern Ontario. If we are going to change the weather and establish a company to insure against this, I should think that the federal government has some responsibility to decide whether or not this is within the jurisdiction of a private insurance company or is a major field of insurance in which the government of Canada must interest itself.

I believe, Mr. Speaker, that there are fields in which the federal government will have to interest itself. I think it is an absolute fact that we probably are 50 years behind the times in establishing companies in the manner we do by private bills. As has been pointed out, I think this matter must be looked at. I believe some consideration will have to be given to the national good in the establishment of these companies, which we are not able to give in isolation concerning a particular case when we are not aware of the over-all situation which would come to the attention of the Department of Insurance.

As I have said, Mr. Speaker, insurance is in the public domain in a number of ways, and not only in the hoodwinking of the Canadian public which takes place in the establishment of all these companies which really are not companies but are subsidiaries of other companies competing with themselves while at the same time establishing fixed firm prices on certain types of insurance. It must be in

our interest to know the intention and the reputation of the insurance companies involved with relation to the Department of Insurance. Surely we did not establish the Department of Insurance just for fun; surely there was a reason behind its establishment and the establishment of a superintendent of insurance who supervises insurance operations.

• (6:50 p.m.)

These bills are introduced as privately sponsored bills without any recommendation from the superintendent of insurance. We are asked to make decisions without having the advantage of the knowledge of the people we have appointed to supervise activities in this very complex and complicated field.

Surely it will make little difference whether we pass this bill or not, because the Aetna Casualty Company will not have agents in Canada. There will be a head office in Toronto, probably because this is a requirement of the law, but that will only be a place where the executive will hang out. This company will just send out forms to brokerage and insurance agents asking them to fill them in. We are wasting our time and the time of a good number of people by debating this kind of a bill because the people of Canada would be much better advised to do business with insurance companies now existing in Canada. Anyone who becomes a shareholder of this proposed company will be contributing money to the United States parent company.

Mr. Deputy Speaker: Order, please. I must advise the hon. member that the time allotted to him has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the following questions will be discussed on the adjournment motion tonight: the hon. member for Winnipeg North (Mr. Orlikow), United Nations—suggested contribution to campaign against illiteracy; the hon. member for York-Humber (Mr. Cowan), Public Works—Toronto—placing of fill in lake Ontario; the hon. member for Lotbinière (Mr. Choquette), House of Commons—inquiry as to holding of by-election in Nicolet-Yamaska.

Private Bills

PRIVATE BILLS

AETNA CASUALTY COMPANY OF CANADA

The house resumed consideration of the motion of Mr. Cameron (High Park) for the second reading of Bill No. S-4, to incorporate Aetna Casualty Company of Canada.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, like some hon. members who have taken part in this discussion I find that I have some serious questions in my mind as to the advisability of giving approval to the incorporation of this proposed casualty company. I regret that I will not be able to advance my reasons for thinking this way to the same extent other hon. members have done because of the limited time available to me. However, in the time left at my disposal I should like to make one or two comments about my serious doubts.

Very often heated arguments have been reported in the press regarding the high cost of administering charity campaigns such as the Red Feather appeal. These articles have given consideration to the question of whether the overhead of these charitable activities is justified. If one compares the operating overhead of organizations such as the Red Feather campaign with the operating overhead of companies such as the one proposed for incorporation by the bill now before us, I am sure he would realize how great the disparity is between these two.

Because of that fact, one often wonders whether it is in the public interest to proliferate almost endlessly the number and variety of companies operating in various fields of insurance. It is my opinion that the business of insurance involves perhaps the most expensive bookkeeping system in this country. It is obvious that the insurance business is not productive because it does not create new wealth in our society. This is a business of keeping accounts and records. The way in which this proposed company will operate, similar to that of many other companies, is something which should give us cause for consideration, particularly when we are asked to increase the number of incorporated insurance companies in Canada. While I should like to pursue this debate, I will conclude my remarks on this stage.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the standing committee on finance, trade and economic affairs.

INDUSTRY

APPROVAL OF CANADA-U.S. AGREEMENT ON AUTOMOTIVE PRODUCTS

The house resumed consideration of the motion of Mr. Drury:

That it is expedient that the houses of parliament do approve the agreement concerning automotive products between the government of Canada and the government of the United States of America, signed on January 16th, 1965, and that this house do approve the same.

Mr. Hales: Mr. Speaker, just before the commencement of private members' hour I just had time to outline the steps I propose to take in debating the resolution now before us. This is one of the most important matters to come before this house and it affects many people.

The Canada-U.S. automotive agreement has far-reaching effects and involves very complex and complicated matters. I only wish that in preparing my remarks, I had the battery of officials available to and at the minister's disposal. Because this is such a complex and difficult subject I can only speak as a humble layman, but I propose to bring to the attention of this house the facts that have been brought to my attention by some of the individuals engaged in the automotive industry in Canada.

The Canada-U.S. automotive agreement was entered into by the government after having been conceived in secrecy, born in mystery and developed in controversy. This is a free trade agreement which provides for free trade for the producer but not for the consumer.

• (7:00 p.m.)

When you speak of free trade, you immediately think of free trade for the consumer as well as the producer. We must realize that the automotive industry in Canada was forgiven an amount of $50 million in the form of tariff reductions. This amount would have been collected from the industry if the treaty had not been instituted. I am broadminded enough to realize that this pact has its good points as well as its bad points. There are always two sides to any coin, and I am prepared to look at both sides. However, I believe that the present government in bringing this treaty into being had one major decision to make, and it was a political decison. If anyone in this country is asked what is the main difference between the two predominant political parties in this country today, I suggest that this treaty would be an example one could use to illustrate that difference.

We in the Conservative party, practically since the days of its formation, have believed, since the days of Sir John A. Macdonald, and we still believe, that if you sell the economic birthright of your country you at the same time lose your political birthright. In other words, if a company in the United States has 61 per cent of the shares of a company in Canada, I think we all realize who will control that company; it will be Uncle Sam, or the United States.

Therefore I think this was the first decision that should have been made by the Liberal government before entering into this treaty. They apparently believe that Canada can sell her economic birthright and still retain her political birthright. I am one of those who do not believe this. Time will tell whether we in this party are taking a short-term view of this very important matter of free trade in the car industry between Canada and the United States. Have we sold out, in the long-term view, our economic control of this industry, or is this just a short-term outlook? I am afraid we have sold out our economic birthright in this industry, and I believe we must be prepared to pay the consequences.

I am a little confused about the thinking of the Liberal government in regard to policy. Just last night the Minister of Finance (Mr. Sharp) made a speech in Toronto. I should like to read a few quotations from the *Globe and Mail* of today's date regarding what he said concerning Canadian ownership of industry:

There is of course not only the question of the proper conduct in Canada of subsidiaries of foreign owned companies. I am even more interested in the retention and the establishment in Canada of Canadian-owned and controlled corporations.

Does this U.S.-Canada car treaty create a situation of which the Minister of Finance speaks? In my opinion it creates just the opposite situation. The Minister of Finance went on to say:

Canadians must strive to have their share of head offices. It is desirable too, that companies who have their major production facilities in Canada should have their head offices in Canada. Unless these views are accepted in the Canadian business community, we shall have to accept the limitations that go with a branch office economy.

Does not the United States-Canada car treaty create a branch office economy in this country? I humbly suggest that it does. In his speech the minister went on to say:

> It is important too that we realize that there are certain key areas of our economy which must be controlled by Canadians.

Yet we sell out our car industry to the United States. Then he said:

> As a final but by no means the least important item on my economic and financial "agenda for independence", I would put industrial development policy.

The minister went on to explain what he meant by that. Then he said:

> If we are to be true nationalists today we must think in terms of a different kind of economic nationalism, which seeks to strengthen Canada in the context of growing interdependence between the nations and our obvious interest in the expansion and liberalization of world trade.

Having read that speech of the Minister of Finance, I cannot understand how he expects to have anything but a branch office economy in Canada flowing from this United States-Canada car treaty. We come back again to the old matter of cross-purpose legislation that seems to arise so often in the Liberal ranks.

In this regard I think of the last session of parliament when the Minister of Industry (Mr. Drury) was introducing this car treaty. It seemed to me he was suggesting a take-over of Canadian subsidiaries. At the same time the minister of finance of that time, the hon. member for Davenport (Mr. Gordon), was doing everything in his power to retain industry in Canada with Canadian control. It seems to me they were working at cross-purposes. Let us consider another field. The former minister of agriculture announced the payment of subsidies on the growing of tobacco, if this was necessary, and the former minister of national health and welfare spent $700,000 in asking people not to smoke cigarettes. This was cross-purpose legislation to the greatest degree.

Then we found the Department of Labour at cross-purposes with the Department of Justice. The former minister of labour announced the spending of a $3 million advertising program to get people 45 years of age back to work; yet the former minister of justice, when asked in the house about this situation, said, "No, we do not hire people over 45 years of age." One minister authorized the spending of $3 million to put people over 45 years of age to work, and another minister would not hire them. Then we had the situation concerning cars of $5,000 in value imported from the United States. The former minister of finance did not want these cars imported, so he said, "All right; there will be no income tax depreciation allowed on these cars. We do not want them to come into Canada." Just about that time the Minister of Industry introduced the free trade car treaty. So again we had another piece of cross-purpose legislation. Therefore, Mr. Speaker, it must be proven to me that the Minister of Finance is thinking along the same lines as the Minister of Industry in putting into operation this U.S-Canada car treaty.

Having said that in the form of an introduction, I should now like to deal with the objections we have to the introduction of this resolution. First is the manner in which this matter has been handled. How was it done? It was brought in by order in council; we never had an opportunity to debate it in the house. The Minister of Industry, the Prime Minister (Mr. Pearson) and another minister went to the United States and signed this treaty on President Johnson's ranch. Other officials went with them. On January 16 they announced to the people of Canada that they had entered into a far-reaching treaty that would be of great benefit to so many people in Canada. They did this without even giving elected members of parliament the opportunity to debate the matter or have anything to say about this very complicated treaty.

• (7:10 p.m.)

I ask, why was it done by order in council? Why was parliament not asked to endorse this before the treaty was signed? Before I leave that point, let me say that I cannot understand the change of thinking in the Liberal party since the days of their former great leader and prime minister, the late Right Hon. Mackenzie King. I quote here from a speech he made on June 21, 1926 when he was speaking in the House of Commons. Parliament was being asked to adopt a resolution standing in his name, the final paragraph of which read:

> That the house considers that before His Majesty's Canadian ministers advice ratification of a treaty or convention affecting Canada, or signifying acceptance of any treaty, convention or agreement involving military or economic sanctions, the approval of the parliament of Canada should be secured.

Those were the words of the late Mackenzie King. Then on April 12, 1928, in the

course of a debate on the international sanitary convention, the same right hon. gentleman had this to say:

> I submit that 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.

This treaty certainly falls into that category. That was the thinking of the former leader of the party across the way, but apparently that is not the thinking of today. This treaty was signed, sealed and delivered without the elected members of parliament having an opportunity to voice their opinion one way or another.

What about the commonwealth? Since we are the senior member of the commonwealth, I believe that we should have had at least some respect or some thought about what effect this far reaching treaty would have on the commonwealth. As you know, cars are imported into Canada from the commonwealth free of duty. However the minute this treaty came into force American cars were allowed to come into Canada duty free. The English cars immediately had to meet this stiff competition, which was anything but fair.

What about GATT? We are supposed to be members of GATT, think highly of it and respect it. As all hon. members know, under the terms of GATT any member or nation which gives special privileges to any other member must give the same opportunity to all other members. I do not know whether this has been done or not. I do not think it has.

Mr. Drury: It has.

Mr. Hales: I sincerely hope it has. The minister has never told us whether it has or not. This treaty has been in force for 15 months. There are so many things we do not know about it. We have asked for debates and so on, but we have never had an opportunity to discuss this matter.

The second objection we would like to register in this regard is the delay in bringing the matter before the house. As I have just stated, it is 15 months since the treaty was signed and we have had no chance whatsoever of debating it. A supply motion was used back in 1965 and this was the subject which was debated. We had a very limited opportunity to discuss the matter at that time. We have asked numerous questions from time to time, which is about the only opportunity we have had to learn more about this very complex and far reaching subject. As I have said, this is a subject of great complexity and certainly every opportunity should have been given to allow the members to look into the whole question.

Those are the objections I wished to raise under that heading. The next heading was, what were we told that this Canadian-United States car treaty would do for Canada? I believe I am quite reasonable and fair when I list these four points which the minister told the house would be the important and beneficial results from the treaty. First, he said it would increase employment substantially and, second, that it would correct the rising trend of imbalance of payments in the automotive industry. Then third, it was understood that it would enable the Canadian automotive parts manufacturing industry to achieve a lower level of costs which would be competitive with United States parts manufacturers producing similar parts. Fourth, it would help to equalize the Canadian factory costs and selling prices in the automotive industry with costs and prices in the United States. In other words, Canadians would be able to purchase cars at the same prices as are paid for American cars. These were his selling points for this treaty.

Now let us take a look at these points one by one. The first was to increase employment substantially. I know the minister, in his introductory remarks, said that 10,000 more people are employed in the industry today. However, I would suggest to him that he forgot to subtract from that figure those people who have been put out of work in the industry. I am thinking of car parts manufacturers who have found it necessary to close their plants, and in other cases to reduce their staff. I do not propose to dwell on this subject. I know one hon. member in our party has had a car parts manufacturing firm close in his riding, throwing hundreds of people out of work. In my own riding I have had a manufacturer of car electrical harnesses who has had to lay off approximately 30 people because he can no longer compete

with his American competitors in the manufacture of car harnesses. Then not only do we have these industries closing, but it also affects the associated industries.

• (7:20 p.m.)

I know that in Windsor they have benefited from employment in many respects; I would ask the minister and those who boast about the great increase in employment whether these are the types of jobs we really want to maintain in Canada. I would ask the minister for a list of the extra people who have been employed in skilled capacities, such as draftsmen, technologists, purchasing agents, and all the way down the line. I know for a fact that Ford closed their Oakville purchasing department and moved it to their head office in Dearborn, Michigan. The firm which closed in Beaverton was the Canadian subsidiary of a United States plant, and it closed its doors because parts could be made cheaper at the head plant in the United States, which parts they can now ship into Canada duty free. So that if you want to create a lot of jobs for people on the production line, people who put nuts and bolts, together you can do so with ease; but I would ask the minister to think about the skilled men and technologists in the trade as well.

I know for a fact that McKinnon Industries in St. Catharines who have been making steering gear boxes for Chevrolet cars, is closing down and moving operations to their United States plant. How will this create more jobs in Canada? I know that the Ingersoll Machine and Tool Company had to find another line of manufacturing, or close down, because they lost their gear box steering business with Chrysler of Canada. This goes on down through the industry. Car parts manufacturers are losing orders. They are getting by on their 1967 model bids, or some of them are, but others do not even get the opportunity to bid.

In some cases these people have had to go and cry on the minister's shoulder, and ask him to help get orders for 1967 models or else they would have to close their doors. Is this the kind of treaty we want, Mr. Speaker, with individuals sitting on the minister's doorstep asking him for business, and with the minister telephoning Chrysler, General Motors and Ford and telling them to see that these people are given business because he does not want them to close their doors?

With regard to the second point, that the minister said this treaty would correct the rising trend of imbalance of payments in the automotive industry, how many times have we heard this said? How many times did the minister go across the country in October, campaigning for the November election, telling the public what a great thing the car treaty was and how it would improve our balance of payments? As a matter of fact, our balance of payments position today has deteriorated to the extent of $100 million compared with last year, despite what we were told. While we argued, as did the minister, that it would cut back Canada's automotive deficit, the true picture is that it has increased it nearly $100 million, resulting in an imbalance of trade between the United States and Canada, so far as the automotive industry is concerned, of $674 million.

I agree with the minister that Canada's exports to the United States more than doubled in 1965; I do not question that for a minute. The figures went from $76 million in 1964 to $164 million in 1965. But United States exports to Canada far outstripped Canada's exports to the United States—$184 million compared with $838 million. So the result for Canada was that the net automotive trade deficit with the United States rose from $578 million in 1964 to $674 million in 1965, an increase of $96 million.

It was shouted from the house tops that this treaty would help Canada's imbalance of trade position; but the true picture is that we are now $100 million further in the red than before the treaty came into effect. I will say no more on that point.

The third point was that it would enable the Canadian automotive parts industry to achieve a lower level of costs and make them competitive with United States parts manufacturers producing similar parts. What do we find in this regard? The minister had some very fine objectives in this field, but once again he forgot to talk to the Minister of Finance. Here again they are at cross-purposes in their legislation.

During the budget debate the Minister of Finance did not remove the 11 per cent sales tax on productive machinery. The Minister of Industry told the people engaged in the car parts industry to go ahead and instal machinery; that they would have to buy machinery in order to increase production and bring about an efficient operation. He even set up a fund from which they could borrow money to buy machinery at 6 per cent interest. He may not in so many words, have said the 11 per cent sales tax would be removed, but these people were led to believe that it would be removed.

According to the *Globe and Mail* for March 31, 1966, the car parts manufacturers had this to say on this particular point:

> Canadian auto parts manufacturers yesterday reacted angrily to Finance Minister Mitchell Sharp's failure to remove immediately Canada's 11 per cent sales tax on production machinery.
>
> Parts industry spokesman said retention of the sales tax for the next year will impose such a heavy penalty that their companies will be unable to compete successfully—

A little later the article continues by stating that—

> —his group's members were urged by Ottawa to buy the new equipment so they could produce parts in large enough quantities to serve the North American market. He said that because of Industry Minister C. M. Drury's encouragement, Canadian parts makers went ahead with expansion plans, although they felt at the time that the 11 per cent sales tax was a severe competitive handicap.
>
> "We know that our U.S. competitors were not hampered by any comparable sales tax—

And so on. There is no 11 per cent tax on productive machinery in the United States, but there is in Canada, and the Canadian car parts manufacturer is supposed to compete with his United States counterpart. The article continues:

> —but Mr. Drury told us to have the courage to expand" . . . Mr. Drury should have been talking to Mr. Sharp, not to me . . . When a government advocates free trade and then does something like this, you begin to wonder where the brains are!

So, on the one hand they talk of free trade; on the other hand they inhibit it or make it impossible for Canadian car manufacturers to compete. As I have said, in order to compete with the United States competitors, Canadian manufacturers have to buy machinery and produce efficiently. But first of all they are hamstrung with the 11 per cent sales tax on machinery. Then they cannot buy all this machinery in Canada owing to the backlog of orders and have to buy some machinery from the United States. They import it into Canada, making it subject to a customs duty of 22½ per cent. Then they are told to go ahead and compete with their neighbour across the line and do the best they can. There is free trade on the one hand, and they are cut off on the other.

• (7:30 p.m.)

Another problem faced by the car parts manufacturers is opportunity to bid. I think the minister realizes, as I do, that the minute you cross the border into the United States there is only one way to get an order, and that is to offer the same or a lower price than that obtainable in the United States. They are not going to buy from Canada if they can get it from their own producers in the United States. The only way they will buy here is if it costs less. The farther south you travel in the U.S.A. the more difficulty you have. You even have difficulty in getting your Canadian dollar accepted as exchange.

This brings up another point: Where would the car parts manufacturers of Canada be today if it were not for the 92½ cent dollar that the Conservative government introduced a few years ago. The devaluation of the Canadian dollar has kept the Canadian car parts manufacturers in business. If it had not been for that, the whole bunch of them would have had a really difficult time, and more of them would have been out of business than are out of business today.

My time is running short, and I wish to bring up some other points. The point I wish to discuss is that it was claimed the Canadian people would be able to buy cars at reduced prices. The minister quoted prices this afternoon. He said that the main car manufacturers had reduced car prices. I am not going to dispute that. All I have to go on is what people have said to me who have bought cars. I have been told that they have had to pay the same prices for identical cars as they had to pay before the treaty came into operation. I have not purchased an automobile recently, and therefore I cannot speak from experience. However, people have written to me to say that they have found no difference whatsoever in identical cars bought this year, and those bought prior to the institution of the treaty.

I am told that 80 thousand cars, according to figures I have, made by Canadian Chrysler workers in Windsor, were shipped to the United States and each of them is sold for $615 less than the same model of car is sold for in Canada. Why cannot the same car be sold for the same price in Canada? Is the public in Canada subsidizing this company so as to allow it to sell cars more cheaply in the United States, or is that company making more profit on the cars it sells in Canada? Even taking into consideration the difference in the tax of 11 per cent, it still does not add up to $615. This is supposed to be a free trade treaty. I say that it is free trade for the producer but not for the consumer.

In closing, Mr. Speaker, I go back to the points I mentioned at first. We object to the way in which this measure was introduced. We object to the failure of the government to

give the elected representatives an opportunity to debate this very complex legislation, and to deal with the points the minister said would be forthcoming by this treaty. I have tried to the best of my ability to show how some of these things, that were claimed would come about, have not come about.

Many people in the industry would like to have a say in this matter. I think this whole question ought to be sent to the Committee on Industry Research and Energy Development. People could be given the opportunity to appear before that committee, and lay their problems before it in addition to any ideas they may have concerning this unique but yet unproven treaty which was the idea of the Minister of Industry.

I conclude by saying what I said before: I am broadminded enough to know that there are some good points and that there are some bad points in this treaty. It remains to be seen whether there are more good points than bad points. I do not know how else we could find out, other than by calling people in the industry to appear before the committee and give their views. Failing that, time will supply the answer. In due time we shall know whether it was a good or a poor treaty.

I would remind the minister and I would remind his party that the first decision they should have made was a political decision and not an economic one. Their economic decisions, or principles, and our economic principles are not quite the same, because we feel that if you sell your economic birthright you lose your political birthright.

Mr. Reid Scott (Danforth): Mr. Speaker, in some ways we are engaged in a curious debate. The order paper says that we are to give approval to an agreement, or to an arrangement made by the Government of Canada some 15 months ago. It is a unique experience for us to have the infant before us 15 months later and to be asked to approve of his birth. Of course, what we are doing now is not legitimizing the infant, as my colleague behind me says, but reviewing the agreement and the changes which have taken place under it.

I was very interested in the remarks of the previous speaker, who seemed to feel that before the agreement was brought into effect the government ought to have decided whether or not we could have a Canadian automobile industry of our own. I would say to him that that decision was made many years ago. Canada, at least as far as the automobile industry is concerned, passed the point of no return long ago. There does not now seem to be any way in which we can economically construct a Canadian car manufacturing industry. The decisions that brought this situation about were made many years ago, and are probably irreversible.

Of course, the agreement brings out the whole problem of foreign ownership. The real problem, it seems to me, about foreign ownership in Canada does not come out of trying to make political decisions. The real problem that I have encountered in the little travelling I have done in Canada is that the Canadian people themselves do not have the guts to build a Canadian owned economy. They want all the advantages and the high standard of living that comes with increasing domination by the people to the south, but they are not prepared, from what I have been able to ascertain, to make the effort and the sacrifice that would be involved if we were to try genuinely to come to grips with the whole problem of foreign control of our economy.

In the few minutes I have available I should like to deal with four aspects of the problem. What I say may be somewhat repetitious. I want first to deal with the general background, and with the way this whole agreement came into effect. Second, I want to touch on its general performance to date, in the light of the forecasts made for it by the minister. Third, I want to bring out some criticisms of the pact in certain areas where we feel it can be justifiably criticized, and where we think it needs strengthening, notably with respect to the prices of cars, assistance to displaced workers, and as it affects car part manufacturers.

In conclusion, and fourth, I want to make some general observations of what we think are certain disturbing aspects of the plan, which seem inconsistent with certain fiscal policies of the government and with its professed interest in the field of foreign control.

• (7:40 p.m.)

It is interesting to look back and remember the circumstances in which this agreement came about. No doubt there was some need for an approach such as this, given the general picture of the automotive industry in Canada which, effectively, as has been pointed out, was a branch plant operation built up behind the protection of tariff walls. It has always had a limited manufacturing base—short runs resulting in higher prices, making it virtually impossible to get into export markets.

Canadians would not be prepared to accept anything but a wide variety of models. We all look at those great Canadian programs, Bonanza, and the Dinah Shore show, which create in us a desire for all the models and ranges the Americans have. This has always resulted in a measure of inefficiency in production here. For example, in Oshawa, in the 1965 model year, 595 different types of cars and trucks were assembled, while the most complex assembly line in the United States was building 256 models. Hon. members can see the difficulty, or the danger, of this situation.

In order to cure this state of affairs, hon. gentlemen opposite introduced what is called the Drury plan. This was an arrangement for the remission of taxes. The minister will recall that it was brought in with all the fanfare which he is capable of bringing to his imaginative schemes. We on this side said we thought it looked suspiciously like an export subsidy, though we hoped it would not be so regarded. However, it was immediately regarded as being such and quickly ran into lots of trouble with United States tariff authorities. When it became obvious that the commission would find against it, some of the "whizz kids" in the Department of Industry got busy and drew up this plan to counteract what appeared to be the implications of the Drury plan. This is how the present pact came about.

The intent behind it is good and in some ways it is an imaginative solution to the problems of the industry. The intent is to rationalize and integrate the industry so that specialization can occur on both sides of the border. Let us hope that this will lead to increased expansion, more jobs, more efficient products, a lowering of prices opening exports to the U.S. market, and an easing of our balance of payments position.

As has been said, this is an important agreement. It was introduced in the usual Liberal fashion amid fog and secrecy, lack of information and midnight diplomacy. Then all concerned went down to Texas to sign it. Later they came back and told us what had been done. We were able to get very little information from the minister about this agreement but he did give us his bland assurance that all would be well because he was handling the affair. As a matter of fact we obtained most of our information from the hearings in Washington. Incidentally, it has always been embarrassing to me as a member of the House of Commons that we have to rely on the senators in Washington to snap their fingers and get the detailed information which we wanted from our own government in Canada but could not get.

It seems to us that important policy changes of this nature involving taxation and finance should be given the full legislative treatment, rather than coming before the house later to be rubber-stamped or inadequately criticized by an unprepared and possibly inadequately informed opposition.

Contrast what is being done here with the way in which this was handled in the United States. The issue went before the legislative committees of both houses. Exhaustive investigations were made and full disclosure of information was obtained. Only afterwards did the legislators feel they could pass judgment. It seems to me we should follow this example to a far greater extent in Canada. While we may be in agreement as to general objectives, our inability to criticize important measures involving taxation and finance is, it seems to me, one of the reasons why our parliament is not giving effective leadership to the country. This is sensed by the public and it is partly because of this failing that our parliament is at a low ebb in terms of public esteem.

This leads me to the consideration of the general performance of the agreement. I listened with interest to the minister extolling the virtues of the pact. Nothing like it, he said, had ever happened before. What he says is, to some extent, true. The performance of the automotive industry generally has been phenomenal. There has been a notable increase in production and sales. For example, in 1961 production amounted to some 328,000 units. By 1965 the figure had jumped to more than 710,000. This is a remarkable increase. Sales rose from 446,000 to 786,000 in the same period, again an amazing performance for an industry.

I do not know what proportion of this increase is attributable to the agreement. I do not think the minister knows. Obviously the figure would be hard to establish. All the investigations we have carried out indicate that a good deal of this expansion would probably have taken place in the absence of an agreement. This good performance does not really tell us very much about the plan. A better test is to see what is happening to our balance of payments figures.

I can remember when the plan was introduced. The government made an extravagant

presentation claiming that this was the answer to our whole balance of payments problem. This, they said, would cure it. Of course it has not done so. The imbalance rose from $386 million in 1961 to $615 million in 1965. This was the net deficit in the automotive industry. I realize that it might well have been worse in the absence of an agreement. Indeed I suspect this would have been the case. But the agreement has not been the cure, the answer, as we were all led to believe it would. I know the minister will tell us that the deficit is becoming less serious each year than would have been the case had there been no agreement. But this does not help us much, in view of the fact that it is continuing to increase. I should like the minister to tell us what he has in mind—what means he proposes to employ to deal with this problem since, to date, the agreement has not done so. I should add, however, that in other areas the agreement has been a real source of success. There has been increased production and there have been more jobs provided—and we are glad to see this happen.

I wish to turn, now, to the third section of my submission on this subject—the price people have to pay for their cars. We all remember the discussion which took place when we were told that the automotive companies would, in effect, receive a "bonanza", a saving of $50 million, because they would not be paying the tariff charges. We were told that a lot of this money would be passed on to the consumer. Any way, we were told, the poor automobile companies needed the money in order to finance their expansion programs. General Motors needs the money like we need three holes in our heads. It is coming out its ears. But we were told these poor companies needed this money for expansion purposes and that, anyway, they were going to pass it on to the consumers in lower prices.

• (7:50 p.m.)

It is hard, because of the complexity of the situation, to give comparative prices of Canadian passenger cars and those of comparably equipped United States cars, but some attempts have been made. The minister himself made one in the Toronto *Globe and Mail* on October 14, 1965, when he said that the gap remaining between Canadian and U.S. prices, after the adjustments made in the price of 1966 cars in Canada, was about $150. This was done by taking a high volume model and comparing it with the U.S. counterpart. If you take smaller models it goes down to $100. If you take a model like the Oldsmobile Delta it is $600, but anyway there is a substantial difference between the two.

Have the manufacturers passed these savings on to the buyer? My suggestion is that they have not, that they have engaged in a lovely piece of window dressing, in a fantastic financial double shuffle to try to convince the public that they are passing on these savings. If you take the $50 million that has in effect been handed to the companies and spread it over the 580,000 cars involved, you realize the average saving per car is about $86 to the companies. With the release of their 1966 model price lists last fall there was a great fanfare and the big three, General Motors, Ford and Chrysler, claimed reductions. I think General Motors said a reduction of $73, Ford claimed $62, and Chrysler did not provide a figure; but they all did it in the same way.

They compared the cost of 1966 models with the cost of 1965 models equipped with a safety package now included as standard equipment, and they said, "Because we are including this safety package and not increasing the price, the consumer is actually getting a very substantial reduction in price." But, Mr. Speaker, when they were examined on this in the United States they were forced to admit that producing all these safety features on an assembly line basis cost about $22.

This cost would be a little bit higher in Canada. We would accept the figure of perhaps $30 as the cost to the companies of producing this safety package on a production line basis as distinct from special gadgets. The companies reduced their prices by $3 or $4. They added in $23 worth of safety features, and it must be remembered that the average saving per car to the companies was $86. If you take off the little extras they have thrown in as safety features, then the car companies pocketed $50 on every car.

For example, the net effect of this to General Motors, which produces 300,000 cars a year, was that it pocketed $15 million of the Canadian taxpayers' money. It did not pass this money on. It kept it and stuck it in its profits. Its profits were so low that it needed this extra money. In 1965 General Motors had a profit of only $2.1 billion. Chrysler stroked along on a profit of $233 million. General Motors net profit in Canada averages around $59 million, which is second only to the Bell Telephone Company. The poor auto companies really had a rough time.

This is one of our complaints, that the government is not assuming any responsibility or giving any leadership in the field of prices. To us it is imperative that it do so. It is pretty clear that normal growth will not be big enough to absorb the expanded output that the government has set for the motor industry, and unless car prices are reduced so that Canadian manufacturers can get into the United States market there will be further dislocation. We want the government to take some action to protect the consumer, to free the consumer and remove the wall of protection that has been built around this multimillion dollar industry.

If the companies are not prepared to reduce prices then there is a remedy, namely reduce the tariff that individuals pay. If Ford of Canada does not want to make cars available at a reasonable price, then people can drive down to Buffalo to buy new cars and have a real good week end on the money they save. People in Vancouver can go down to some other American city and buy their cars. This would be the quickest and the most effective way to force these autocratic car manufacturing companies into giving greater consideration to the Canadian consumer.

The third criticism we want to make deals with the transitional assistance. This was an arrangement called TAB, transitional assistance benefits, to compensate workers who were put out of work as a result of dislocations arising out of the auto pact. I can remember being in the house and listening to the then minister of labour and the Minister of Industry telling us what a magnificent plan this was going to be, and how the generous motor companies would rush in to make their payments to the government so that the workers would be eligible for assistance.

We asked the government if it did not think it a little unusual to have an arrangement whereby the motor companies had to participate voluntarily in return for the $50 million handout, and we were told no, that there would not be any difficulties, that General Motors, Ford and Chrysler were just waiting for the legislation to be passed so that they could run down to Ottawa and give the government a cheque for their contribution. Well, as a matter of fact, Mr. Speaker, none of them has made any contribution.

Out of 1,500 workers dislocated, not a dozen have received any help under the TAB plan. Because the companies did not voluntarily contribute, their workers are not eligible for the benefits. As a result, when out of work, the workers have been forced to rely on the benefits provided by their collective agreement.

In its usual cheapskate fashion the government has forced the workers to carry the burden of a change in tariff policy, a tariff policy designed to protect and help the whole country and the economy generally. But the government has not assumed its responsibility. It has left it up to the workers. The collective agreements were designed to cover seasonal lay-offs. They were never intended to cover this tariff adjustment, and in the usual cheapskate way that this government does everything, it has let the workers carry the burden.

At the time it was introduced I asked who was paying the tab. Now the tab is being paid by the Canadian auto workers. The payment by the companies should be made mandatory. Subsection 5 of the regulations which provide for this sort of voluntary participation should be deleted because the workers are being rooked over this deal, and are being unfairly and improperly treated.

We would hope that some decision would be made by the government. I am not going into the whole problem, that our benefits are worse than the Americans are able to attain. Their benefits and wages are considerably superior to ours. This is something we have discussed with the minister on other occasions but he has indicated a blind eye, and so there is not much point in trying to do anything about it now.

The third objection has already been covered by the previous speaker, dealing with the problem of the car parts manufacturers. The 11 per cent sales tax on production machinery results in these people having higher production costs than their American competitors. In a free flow market I do not know how they are expected to overcome that difficulty. Indeed, Mr. Speaker, it is really curious. This took brains, for Canada is one of the few countries in the world that has been able cleverly to discriminate against its own domestic manufacturers. We should be proud of ourselves for dreaming up this arrangement. We would hope the government would give consideration to removing this tax. This matter has been raised on many occasions, but again I think we got the blind eye on it, although I am not quite sure.

• (8:00 p.m.)

Mr. Speaker, my time is running out and in conclusion I should like to make a couple of observations concerning certain features of

the agreement which worry us. I know it will be approved. In fact I think the minister would have to commit suicide if by some miracle we did not approve it. What would he do, if by any strange chance we turned down an agreement which has been in effect for 15 months. This agreement confirms, once and for all, the complete domination of our automotive industry by United States subsidiaries. A large United States owned auto producer has a tremendous advantage in this kind of nationalized market which you are bringing about. If ever there was any doubt about it, it now is settled for all time that our industry is completely dominated by the United States subsidiaries in this field.

Second, the pact is one sided, mostly in favour of Canada, and perhaps we should congratulate the minister on good horse trading in that regard. In any event, it is dependent on the benevolent good will of the United States auto companies. This is the first time, in my knowledge, where a Canadian government policy is subject to the whims and good will of American private business. It will be interesting to watch 1968, when this comes up again, because by that time the integration will be so complete that there never will be any opportunity to reverse it; that may be inevitable, but at least it is established.

Third, this constitutes a disturbing integration of our facilities with those of the United States. It makes us, therefore, highly vulnerable to United States decisions. This too may be inevitable, but it now is pretty obvious that from here on in the decisions we can make in one of the greatest industries we have are not our own to make. They will be very vulnerable in respect of decisions from Washington or Detroit. Indeed, from now on when Washington hiccups Ottawa will tremble in the automobile business.

Fourth, this represents a strange paradox in government thinking—a subsidy of many millions of dollars and a tax on building materials for the houses our people have to provide. There is something wrong in this approach. Maybe we will sort it out before the debate is over.

Fifth, there has been disturbing talk, not from the minister but by some of the responsible backbenchers, of an extension of this type of development into other areas. We have heard of tires, forest products, and an extension of this whole plan to other sectors of the economy. I hope this is not so, and I hope the government will go very carefully.

The automobile industry is unique; there is nothing like it in North America. We have a few large foreign owned firms producing the same products on both sides of the border. To extend this would continue the integration of Canada with the United States and, just as important, it would create great harm for Canadian firms operating in an industry which is not United States owned, because they would be at a fantastic disadvantage, one which they could not overcome.

When speaking of integration with the United States, most of us feel this government is committed, in that they have accepted the view that we have passed the point of no return and that it will be a lot easier in the long run to integrate smoothly with the United States economy. I think the continentalists have taken over in this government, notwithstanding the window dressing, and that they really have accepted the fact that it is too late and we cannot overcome this American ownership.

Those are the problems in this agreement. We realize we cannot stop it nor, perhaps, would we. These are the disturbing aspects of it about which I would hope the minister would try to set our minds at ease before we rubberstamp it.

May I say one further word. The minister is interested in auto safety. We hear in the press that he is preparing a voluntary code of auto safety to be issued shortly. I should like to suggest to him that if he really is serious about auto safety, he should remenber his experience with the voluntary participation of the companies under this legislation, and if their participation in auto safety is as good as it has been under this, it is useless to be designing and issuing the code.

Briefly those are our suggestions, and they will be enlarged upon by other members of my party as the debate proceeds.

Mr. H. C. Harley (Halton): Mr. Speaker, I wish to participate briefly in the debate on the auto agreement because in my constituency of Halton is one of the largest auto manufacturers, the Ford Motor Company of Canada. If we look back to the minister's statement on the introduction of this trade agreement, we will see that the statement said it was a program designed to achieve a substantial expansion in production and employment, and to promote improved competitive efficiency in this important sector of Canadian manufacturing.

I think everyone in this house will agree that the automobile manufacturing industry is one of the backbones of Canadian industry. This pact will give the Canadian automobile industry free access to the huge United States, or really the huge North American market. What we really are hoping to accomplish in this agreement are three things primarily: first of all, increased production and a larger share of the North American market; second, increased employment in Canada; third, to improve competitive efficiency as reflected in the cost of automobiles to the automobile buyer.

I think, because the program has been in effect since January 1965, we now at this time can decide whether this to date has been a successful program. Under the first heading, increased production, we have, or have plans for, 69 new plants, and 136 plants which are planning expansions. The value of the capital investment in Canada in respect of these new plants to be constructed is $400 million approximately, and for those which will expand their facilities an investment in Canada of capital of more than $335 million.

In the Toronto-Hamilton area, which is relatively well within the reach of my constituency, we have 25 new plants, and 38 which are expanding their facilities, a total of 63 plants with a capital investment of something in the neighbourhood of $75 million. As was mentioned earlier, there is no question but that the production of commercial vehicles in Canada has been rising steadily. As an example, in 1965 our production was up approximately 28 per cent from 1964. Reference already has been made to export and import of cars. Car parts and accessories, both exports and imports, are up. I think it is encouraging to all of us to know that the rate of increase of exports is greater than the rate of increase of imports. We certainly hope those two lines would meet.

• (8:10 p.m.)

The second factor, increased employment, has truly come about. There were approximately 57,000 people employed in the automobile industries in Canada in 1963; there were 66,000 in 1964 and 77,000 in 1965. I am pleased that approximately 1,700 additional workers have been employed in the automobile industry in the Toronto and Hamilton area of my riding, and that in the entire industry, as the minister mentioned earlier, there are something in the neighbourhood of 10,000 new jobs which have been created, with a potential addition of 7,000 in the foreseeable future.

Several members have already made reference to the comparative costs of automobiles. We have been pleased to note in the last car price list for 1966 models that there has been a narrowing of the gap between the United States and Canadian prices. We expect and hope that this trend will continue until there is equality in these prices.

It would appear that as a result of the conditions laid down at the time of the introduction of this automobile agreement we have been very successful. The things we hoped would be accomplished by this agreement appear to have been partially accomplished and I am sure that this trend will continue. Let me illustrate this success by reference to certain things which have happened in my riding.

In 1964 the construction of a $25 million truck plant commenced. Recently it was officially opened. An additional shift has been instituted at that plant and at this time 400 trucks per day, through a two-shift program, are being produced. It is interesting to note that this truck plant is designed to produce as many trucks per year as were sold in 1965 by the entire Canadian industry.

This year the Ford Motor Company announced another $13 million program to modify and re-equip a passenger car assembly plant in the Oakville area. As we are all aware, other changes are taking place at Windsor and Talbotville, to which reference will be made by other speakers. These facts reflect the boom which is taking place in this area, with attendant improvements to all sectors of the economy.

The hon. member for Wellington South (Mr. Hales) referred to the closure of the purchasing department of the Ford Motor Company at Oakville. I should like to elaborate on that reference and point out that a portion of the purchasing department has remained in Oakville, while part of its operations have moved to Windsor and part to Dearborn, Michigan. It is my understanding this change was contemplated long before the automotive agreement came into effect. While the signing of the agreement may have advanced this move, it was one that was due to take place in any event. As a member of parliament for that area I received only one telephone call in protest of this change. To my knowledge the employees transferred were given equal or better job opportunities. The

company did not force these employees to move, but allowed them to remain in Canada at Oakville, if they so desired.

I feel very strongly that this automobile agreement has been advantageous to Canada. Unlike the hon. member who just resumed his seat, I feel the government should consider implementation of similar agreements in respect of other industries, provided safeguards are included to protect Canadian industry. I feel that if the program is successful in one area it should be successful in other areas. I am strongly in favour of this agreement because I think it has been of advantage to the Canadian industry and Canada in general.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, my colleague the hon. member for Wellington South (Mr. Hales) has put on record the views of the members of this party, and it is not my desire to repeat them. However, there are one or two additional points I should like to bring to the minister's attention.

The hon. member for Danforth (Mr. Scott) suggested a few minutes ago that the government has taken what is popularly termed as the continentalists' view, and that it was its ultimate intention to extend this type of agreement to other industries operating in the two countries. In this regard I should like to refer to a speech by the Minister of Northern Affairs and National Resources (Mr. Laing) to the Liberal association, as reported in the *Daily Sentinel-Review* of Woodstock, Ontario, on Saturday, April 30. This article in part states:

> Speaking at the annual meeting of the Oxford Liberal association, Mr. Laing said that to achieve this end, Canada would continue to strive for lower tariffs and would trade with any country in the world in all but strategic items.

That is a very interesting statement. The article begins by stating:

> Arthur Laing, federal minister of northern affairs and natural resources, yesterday said that the ultimate goal of Liberalism in Canada is free trade.

That may be the government's policy, but I think it is something that should be watched carefully by everyone, particularly by the opposition parties in this house.

I do not think many members of this house oppose this auto parts treaty as such, but as was pointed out by the hon. member for Danforth, the automobile industry in North America is a very unique operation, probably not duplicated anywhere else in the world. For that reason, special considerations and regulations must be applied. It is to be hoped that this treaty, which has now been in effect for about 15 months, will be given very careful review by the government, and the Minister of Industry (Mr. Drury) in particular, specifically in regard to its effects.

Many individuals have worked out the theoretical aspects of treaties of this kind and have found that in practice they do not always work out. A very good example of what I have in mind occurred yesterday in this house, when the hon. member for Winnipeg North Centre (Mr. Knowles), who has been a member of this house for many years and is an experienced parliamentarian, lamented the fact that the new rules he had helped to contrive for the house had not worked out in the expected way.

• (8:20 p.m.)

I think it is common knowledge that things which a great many of us hope will work out in theory, simply do not do so because there are so many things, particularly in a complex matter such as an automotive treaty, that just cannot be foreseen. Despite the remarks of the Minister of Industry a number of things have not worked out just as was hoped when the treaty was signed down at that ranch in Texas.

There is an industry in my riding to which I wish to refer specifically because I think the things that have occurred in that industry must have occurred in a great many others in the country. I refer to the Ingersoll Machine and Tool Company located in the town of Ingersoll, Ontario. This company is one of the largest, if not the largest, manufacturer of automotive parts in Canada. Since the middle 1930's it has manufactured gear boxes for the Chrysler Corporation, and has done so very efficiently and satisfactorily.

Prior to the treaty being signed, this particular company employed over 200 persons. It is a highly automated plant and a very efficient one. Over 200 highly skilled persons were employed in the manufacture of gear boxes, which is a sophisticated machine tool operation. As of this coming year I understand there will be approximately 20 persons employed in this operation at the plant. As the minister pointed out, while a number of persons have been displaced from their job of manufacturing automotive parts in Canada, because of the general high employment situation in the country they have had no difficulty in obtaining employment elsewhere. I think this is quite true. In the case of the Ingersoll Machine and Tool Company in particular, I understand that the Minister of

Industry used his good offices to help them over the hump, shall I say, in procuring a very substantial defence contract from the government of the United States. This contract covers the making of rocket parts, I believe.

I should like to thank the Minister of Industry for using his good offices in this respect, and I am sure the people of Ingersoll would also like to express their thanks to him for his helpful intervention. I know that in other cases where there has been dislocation in the automotive parts industry the Minister of Industry has done a great deal to try to help. I give full credit to him for this. However, Mr. Speaker, having said that there are one or two other items I should like to mention.

I shall now deal with the effects of the treaty. I am quite prepared to accept the minister's statement that there has been greatly increased employment in Canada as a result of this treaty. That may well be. But, as was pointed out by the hon. member for Wellington South (Mr. Hales), the minister did not specify the variety or quality of alternative employment. It is my understanding that since this treaty was brought into effect the automotive companies, particularly the Chrysler Corporation and to a lesser degree the Ford Motor Company, have imported all their automotive parts from their wholly-owned subsidiaries in the United States. They have been bringing them into Canada and assembling them here.

This of course, conforms to the Canadian content requirements of the treaty, the Canadian content being assembly line labour and little else. It is quite true, as members on the government side have mentioned, that there has been a great, mushroom-like growth in assembly plant operations in Canada. On the other hand there has been a considerable loss in the manufacturing of automotive parts in the more sophisticated type of machine-tool industries. I think this is a very serious long-range loss to Canada.

It is quite true that the net employment situation may well have been improved in the relatively unskilled labour industries, namely the assembly line processes, and I am sure the city of Windsor—I see two hon. members from that area here this evening—have benefited in this respect. No doubt Oakville has, and one or two other places—I refer to the assembly line operation with relatively unskilled labour—but other parts of the country have not benefited in this respect. One has only to read the financial pages of the newspapers to understand, without my going into extensive detail, that in other parts of the country the much more sophisticated, machine tool, highly skilled industries have been seriously damaged, or in some cases put out of business altogether.

It is too early to say that these people will have no trouble getting jobs. I know that a number of the more highly skilled workers in this industry are moving to the United States and getting jobs there in the automotive parts industry. From their point of view this is fine, but I do not think it is a good thing from the point of view of Canada. If we are to go ahead—and I am sure every member of this house and every Canadian hopes that Canada will expand, grow and develop our secondary industries—in developing industry in the future, especially our highly skilled, technical industries, the movement of labour from this country as a result of the automotive parts treaty will not help this development. If our highly skilled, machine tool industries are jeopardized by this treaty we will have a lack of skilled personnel for the auto parts industry, and also allied and related industries.

One of the very dangerous, long-range effects of this treaty is that it will stultify the growth of highly skilled labour in this industry, which not only affects auto parts but all other similar and related industries. I am sure this is not something that we in this country want. As was mentioned by other members, the Canadian machine tool industry is put at a considerable disadvantage in purchasing the new machines that are required for the efficient, automated factories of today. Factories wishing to purchase these machines are faced with a 22½ per cent tariff if they purchase them from the United States or elsewhere. Then, of course, there is the 11 per cent sales tax on production machinery.

These points have been mentioned by others, but I think they deserve emphasis. These taxes place the Canadian manufacturer at a great disadvantage. To be fair—and I think this is not a political matter, really, but is one of trying to get to the heart of this problem—the revalued Canadian dollar at 92½ cents has offset to some degree the 22½ per cent tariff and the 11 per cent sales tax on large machines coming into the country. But we are still in the red, in the ledger, as a result of these items. I think the government has been concerned about the economic effects of this treaty, and some of its political effects. I know that in my own area we have

had a succession of ministers visiting us trying to explain what a great thing the auto parts treaty is for this country. First of all the Minister of National Revenue (Mr. Benson) visited us last year and read a very interesting prepared speech, although he did not seem prepared at that time to answer any questions on it. Recently the Minister of Northern Affairs and National Resources (Mr. Laing) visited us and told us what a great thing the automotive parts treaty is. The Minister of Industry himself was in my area during the last election explaining briefly what a good thing the treaty is. The former minister of mines and technical surveys was down there too. We have had a succession of cabinet members, some of them fairly senior, visiting the area and trying to explain to the people who will be put out of work because the plant was being put out of commission that, after all, this treaty was a great thing for Canada. So obviously, Mr. Speaker, this has been a matter of some concern and worry to the government.

• (8:30 p.m.)

There are a number of other items which I could mention at this time, but these have been covered by other members, the member for Wellington South (Mr. Hales) and the member for Danforth (Mr. Scott), and I see no point in repetition. However, there is one thing I would like to say to the minister, and I hope he can see his way clear to agree to this. It is this, that the minister himself pointed out in his remarks, when the resolution was presented, that the government is of course very interested, as is everybody else, in the effects of this treaty on Canada and on Canadian industry.

While it is true that a number of representations have been made to the government pointing out the difficulties which a number of firms are encountering in this regard, I would hope that the minister would see fit to refer this treaty to the Committee on Industry, Research and Energy Development, because I believe that is the committee that would be concerned. In this way an opportunity could be given to a number of manufacturers who have been perhaps adversely affected by the treaty, and they could give evidence as to the way they are having difficulties. This would be very helpful to the minister and his officials when the treaty is reviewed in a year or two from now, as the minister indicated earlier it would be.

The automotive parts industry and related industries in this country from which parts are ordered would then have a feeling of participation in the government handling of this matter. I can see no disadvantage from the government's point of view in permitting this treaty to be considered by such a committee, so that witnesses from the auto parts industry as well as others can be called. Indeed the committee should have power to call any witness who could be helpful. Some of the complaints which have been registered may not be legitimate, and I believe that all members in this house are interested in getting to the bottom of this matter and getting all the facts.

As the member for Wellington South and others, pointed out, this is perhaps one of the most important treaties or international arrangements that Canada has ever entered into. This agreement has long-range economic effects on Canada and I can see no harm in its being referred to a committee which could hear representations. This is something which we are all interested in. It has gone on for 15 months and another month or so would make little difference. I believe everyone would be greatly benefited by an opportunity to hear evidence.

I would very much hope that the minister would give consideration to referring this treaty to a committee. In conclusion I have but one other brief observation. It was pointed out by the minister in his early remarks that one of the hopes of the treaty was that Canadian auto parts manufacturers would have an opportunity to compete in the United States market—not only in the United States market but in the continental market as a whole. I believe that this is a most commendable idea. However, as I mentioned briefly a few moments ago, and I would like to reiterate it at this point, this is simply not working out. The large automobile companies, and again I mention particularly the Chrysler Corporation and the Ford Motor Company, have large numbers of wholly owned subsidiaries in the United States. I have been informed that when very efficient Canadian auto parts manufacturers—and I refer to the Ingersoll Machine and Tool Company, for one—have requested an opportunity to tender on some of the auto parts for these large companies, they were simply told: You cannot even tender on these contracts; we have our wholly owned subsidiaries in the United States, so why should we allow any other firm to offer tenders because we will get them from our wholly owned subsidiaries.

I am sure this is something the minister and the officials did not envisage at the time the treaty was signed. They may well have had assurances from these automobile companies that this would not take place. However, this is what has taken place. These companies have been told that they cannot even have an opportunity to bid or tender on these contracts for auto parts, even though I have been assured that they are quite competitive with any American firm or any other Canadian firm. They have not been given this opportunity because these two large companies particularly are only buying parts from their wholly owned subsidiary companies on the other side of the line. Matters such as this should be brought to the attention of the minister and the government, which I believe would be very helpful indeed to all of us.

In conclusion I would request and hope that the minister could see his way clear to send this matter to a committee for consideration. I hope perhaps he may say something in this regard this evening.

Mr. Steven Otto (York East): Mr. Speaker, the minister will be pleased to know, or at least less apprehensive to know, that I fully support the automotive pact with the United States; in fact I believe it could be expanded. I am going to make some recommendations or suggestions on the auto proposal.

Mr. Knowles: How do you spell auto?

Mr. Otto: It can be called an Otto proposal under which this agreement can be enlarged. I believe it is no mystery to the minister and to all of us, that every country in the world wants to export manufactured goods; no country in the world wants to export raw materials. We also know that it is not possible for every country to export more manufactured goods than they import. If the hon. gentleman from Danforth was very worried about the word "continentalist", I am not at all worried about this as long as it means that each individual in each country can get a product produced most efficiently regardless of where it is produced, and as long as there is an equitable balance of trade.

This agreement could be interpreted as the first break in the old line of thinking where each country wanted to export more than it imported. I believe this agreement in reality wants to set an equitable basis; in other words it says: We shall export an amount equal to that we import. Now let us break this down. After all, this is free trade. The

Liberals have always been proponents of free trade. We want to break down the tariff. On the other hand we want it done in such a way that we in Canada can take advantage of our productive capacity.

What is this agreement in essence? I am sure the minister will agree with me when I say it means this, that in the automotive trade we have recognized that the salary scale and skills required are just about equal throughout the trade. We want to recognize the fact that in the United States, for example, automatic transmissions can be manufactured more efficiently than they can for the Canadian market. In other words, by the time you set up equipment and set up an assembly line, it is cheaper if you can manufacture 10 million items rather than one million.

In Canada we may be able to manufacture car bumpers more cheaply and efficiently, because plating requires electric power and we have the raw materials, the chrome, nickel and so on. Let us presume the skills required, the wages paid, and so on, in manufacturing those bumpers were the same as those in manufacturing transmissions. Would it not be feasible to allow United States companies to export to Canada $1 million worth of transmissions, provided we exported to the United States $1 million worth of car bumpers, or headlights, or anything which we manufacture better and more efficiently? That is the essence of this agreement and it is really the essence of free trade.

• (8:40 p.m.)

However, if the manufacturers of transmissions used, let us say, $1 million worth of labour at $3 an hour and the bumper manufacturers used $1 million worth of labour at $1 an hour, the trade would not be equitable. The purpose of this agreement and its very content, as the minister explained, is much more equitable, because in the car industry—and this is probably why it was left in the car industry—the wage scale is almost identical.

Let us suppose the United States manufacturers say to us: We will export to Canada $1 million worth of transmissions, but we do not want anything else except $1 worth of farm machinery. What is wrong with that? The skills required in the manufacturing of farm machinery and the wage scales are identical to those in the automotive trade. I say that this would also be acceptable.

To go a step further, supposing a United States manufacturer says: "I will export into Canada tariff-free $1 million worth of transmissions and will import from Canada $1 million worth of furniture"—or carved wood, which Canadians can produce much more efficiently, and where the scale of wages and the skills required are also identical, or possibly even higher. There is nothing wrong with that at all. In other words, we have already established the principle of a balance of trade, not in dollar volume but in manpower, man-hours requiring identical skills and more or less the same wages.

You can understand, Mr. Speaker, that it would be possible under the present system of balance of trade for Canada to export to the United States $5 billion worth of gas reserves, oil, electric power, fresh water resources, and many other items of natural resources which may not require the employment of very many people. At the same time, does this mean that we can import into Canada sewing machines, radios, television sets, cars and so on? No. But that is the basis on which we have worked up till now—a balance of trade based on dollar volume, which is fallacious and is not really a balance of trade. That is where we find ourselves in difficulty. What we have been doing is hypothecating our natural resources in exchange for manufactured goods. But this agreement puts a new emphasis on a balance of trade in man-hours and skills rather than on dollar volume.

There is some talk about extending this agreement to, or making a new agreement with, the timber and lumber business. We can also do it in the plastics business, the chemicals industry and the services industry. We might find ourselves with 1,000 agreements with United States manufacturers.

In other words, I am saying we must formulate now, general policies which include the essence of the automotive trade agreement and put the trade agreement on a wide, general basis. There has been since 1959 a movement toward a export-import parity program. I have been a manufacturer, an exporter and an importer. I can see the difficulty in all these enterprises. The export-import parity program which I have promoted for many years is more general than the automotive trade agreement but is on exactly the same lines—to balance our imports and exports according to man-hours, skills and salary schedules rather than dollar volume.

Some economists have said for years that it really does not matter whether we sell $20 million worth of gas reserves and import $20 million worth of radios and television sets; it is the same thing. Their argument is that $20 million received for gas reserves would be spent in Canada on the purchase of consumer goods, and so on. That is not so, first of all because $15 million of that $20 million automatically goes to the United States because the United States owns 75 per cent of the gas reserve companies. This leaves $5 million, out of which comes profit and promotion, with little remaining. So that the argument the economists put forward, that it does not really matter as long as money is exchanged for something, really does not hold water.

Although we are talking about the automotive trade agreement—and the exact program could be extended to other agreements—I should like to put forward the proposition that, by and large, tariffs are really a punitive measure. That is to say, they penalize an importer for importing goods and do not give any incentive to an exporter.

For example, let us say I am a manufacturer of air conditioning parts, as I have been, and let us suppose that the tariff regulations were changed and the essence of this agreement was enlarged. If I exported $1,000 worth of air conditioning equipment to the United States or elsewhere, and supposing, Mr. Speaker, I then received a permit to import $1,000 worth of goods of the same category—say, sewing machines or radios, which are in the same category as air conditioners—free of tariff. In other words, I have exported $1,000 worth of man hours in the production of a certain category of goods and I now have the right to import goods of like nature free of tariff. That is not a punitive measure at all.

Let us suppose I do not want to import anything, but was allowed to put this import permit on the market and somebody gave me $200, which is 20 per cent of the $1,000. I can reduce my costs in this way because really I receive $1,200 for the exports, and the person importing other goods has had to pay the $200 difference. But he has not paid it to the government as a punitive measure; he has paid it to the exporter. In this way an importer pays an incentive to the exporter.

• (8:50 p.m.)

We could also have the different categories related to each other. Let us suppose that I did not have a permit for goods in category

"C", but there was available $5,000 worth of goods in category "A", such as farm products, for example, which were still relatively balanced with the different products in category "C" and the amount of money paid to produce them, the skills required, and the wage schedule involved.

We have to get away from the punitive measure of tariffs and enlarge this automotive agreement, not industry for industry but on general principle. If my proposal were followed, you would really have no tariff at all; instead you would have an incentive. Or, the tariff which would normally be paid to the government would be paid to the exporter as a further incentive, and in time all this would balance itself out. No one in GATT or anyone else would blame us. We do not want to take advantage of anyone. We only want to make the same kind of things as others, and we want to export and import products, not in dollar value, but in terms of man-hours and skills. We want to be equitable with others; we do not want to take advantage of anybody. The only way we can ensure a proper use of our natural resources is to produce those things that our training, and resources and abilities fit us for, and to import those things which can be produced better elswhere.

In conclusion, Mr. Speaker, may I say that I believe that this agreement is the first step. It is a good step. I have no doubt that in time there will be other measures such as this one, in connection with other industries. However, we cannot have 1,000 or 10,000 agreements for different industries. We must have one general authority. We must maintain the principle that the Liberal government has always followed, of striving toward free trade, but equitable free trade. The only way that this can be done is to try to plan our imports and exports, not in terms of dollar value, not in terms of natural resources in exchange for manufactured products, but in terms of man-hours and the skills which are necessary to produce these things.

I entirely favour this agreement. I know that the reaction to it will be good, so far as Canada is concerned. I think that the idea behind this measure can be enlarged to include other industries, so that in time we shall have a general policy in connection with a new concept in trade balance.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I am speaking about this agreement not as a member whose constituency is affected in so far as employment therein is concerned, but because I want to take a look at this particular automobile agreement from a long range point of view.

[Mr. Otto.]

I must say that I find it very regrettable that there has been this delay of almost 15 months in bringing the agreement before parliament. I need not repeat what was said by the hon. member for Wellington South and by the hon. member for Danforth with regard to the great secrecy under which this agreement was signed. It was said that the minister did not want to disclose information about it because negotiations were going on. At one time it was anticipated that this agreement might be considered by parliament last fall. Of course our calculations were put out by having an unnecessary election, and this measure was one of the casualties of that ill-fated sortie.

Now, 15 months after its inception, the government is asking this house to rubberstamp the agreement. This is what is thoroughly repugnant to me. We are asked to rubberstamp this agreement, with the plea that if this house would have turned it down, scores of industrialists and thousands of workers would have been prejudiced, because they relied on the steps taken under the agreement which were taken prior to ratification by parliament. This is a form of not-so-subtle blackmail on this house. The house is being blackjacked to accept this agreement. As a principle, I find that to be wrong, regardless of the terms of the agreement, whether they be good, bad or indifferent.

What I object to thoroughly is the timing of the government, and the delay in bringing this agreement before parliament. It was not necessary to delay it. This should have been considered last June. However, other things crept in that were not necessary.

Having said that, I do not want to go over points made by other hon. members in the house respecting labour dislocation, respecting the cross-purposes that the government is working at by the maintenance of sales tax on production machinery, and by the maintenance of import duties on that machinery. In fact, in so far as buying the machinery is concerned, we are paying more for it as a result of the altered position of the dollar, for which the government is not responsible. But this is what our manufacturers are facing. When we say that we are going to have some sort of rapprochement or parity of costs and of prices for automobiles in this country, we

are frankly deluding ourselves. This will be so until Canadian manufacturers can be in the position of their United States counterparts who do not have to pay the silly 11 per cent sales tax on production machinery, or the import duty on machinery.

Next we are going to hear about the parity of wages as between American and Canadian automobile workers, regardless of whether production per man hour is going to be equivalent on both sides of the border. That makes no difference to those advocating this parity, who just look at the dollar sign, and who do not look at what is done to earn that dollar. If this parity begins in the automobile industry, and this is expected, the next step will be to bring it into the steel industry and to related industries, one after the other.

Where do we go from there, so far as Canadian industrial production is concerned? I would suggest, by introducing the measure under consideration, that we, as Canadians, have embarked on a very dangerous toboggan slide, and we may be in a position where we have to go along for the ride, to the bottom of the slope, unable to control our course.

These are some of the questions that have to be examined. They have not been discussed in the house. They have not been exposed by the minister. He has not spoken about this question of parity wages. He has not spoken about the suggestions being put forward by the hon. member for Coast-Capilano (Mr. Davis) and by the hon. member for Halton (Mr. Harley).

Similar types of agreements might be contemplated to be entered into in other industries. I should like to hear from the Minister of Industry about some of these kites that his colleagues are flying. I do not agree with the minister's thinking. I have some grave reservations as to this agreement because of the penury of information. The minister quoted statistics. He gave, in percentages, increases of exports and increases of imports. If my memory serves me correctly, the financial pages of the newspapers within the last fortnight have indicated that the increases of imports on a dollar basis exceed the increases of exports on a dollar basis.

• (9:00 p.m.)

The position is no better. As a matter of fact, it is worse, from the position of the balance of payments. Where has been the gain? After all, this auto agreement was designed to deal specifically with the ever-growing deficit on international account. The minister may shake his head but there are many people who will disagree with him. It would be a valid reason. Remember, we are facing a deficit which amounts to roughly $600 million on the automobile account each year. It would be well worth striving for, to reduce a deficit of these proportions. If the present agreement has the result of reducing the deficit on the commodity account with the United States, let us give three cheers. That would be a point in its favour. But so far this has not been the case. The gap has widened. What will it be next year? Will the gap be wider still?

The minister spoke about increases in production but these increases are not attributable to the agreement—not all of them, by any means. The Canadian public has itself been responsible for a good deal of the increase in sales, whether the increase is measured in units of 100,000 vehicles, or in percentages or in dollars. The Canadian public has bought more vehicles. It is true that somewhere along the line we may have shared in an increase in the consumption in the United States. But let us not seek to give the impression that all this increase has suddenly come about because an auto agreement was made. To do so would, in the best possible light, amount to innocent misrepresentation and in another light it could amount to deliberate misrepresentation of the facts. As I say, I am not satisfied with the information we have been given with regard to this agreement. Neither is anyone else in this house.

I ask a further question. What is the value of this automotive agreement to those regions in Canada where there are no parts manufacturers or assembly plants and where the work force is not directly affected? Ministers went around the country last fall, receiving appropriate publicity—pieces were put in various newspapers by inspired writers—all announcing with great fanfare that the public would see a reduction in prices as a result of this pact. There was to be a substantial narrowing of the gap between the prices of a particular model in Canada and in the United States. We all know what happened last fall when the price increases were announced. The manufacturers suggested they were price reductions.

I believe it was the Chrysler Corporation which made the first announcement of a price increase. It did not meet with the approval of the United States administration and serious growling came out of Washington. The next company to do the same thing—I believe it

was Ford—followed a different approach using the soft sell. They indicated that a number of formerly optional so-called safety features were being added and that the price was therefore being advanced slightly.

As it turned out, the increase in price substantially exceeded the increase in the cost of those particular features. On all those cars the company was picking up an extra amount between $25 and $50. The next step was a parallel announcement in Canada—that there was a reduction in price. But the movement in both countries was in the same direction. There was no narrowing of the gap. It was a movement in the same lockstep on both sides of the border. The minister may shake his head, but there are many people who will disagree with him. I believe I have in my office material which demonstrates my contention with reference to particular vehicles, models and so forth.

An hon. Member: Bring it down.

Mr. Lambert: I will, because I intend to suggest that we should look more closely into such questions as this. I am not disposed to believe a highly paid publicity agent who tells me: We have reduced our prices. I want to see evidence of these reductions. I therefore suggest to the minister that in view of the importance of this subject we should send this whole matter for further consideration to the standing Committee on Industry Research and Energy Development or, if deemed preferable, to the Committee on Finance, Trade and Economic Affairs.

I do not wish to be obstreperous. If this is a good agreement for the benefit of Canada, if it is to be the first of similar steps we have to consider with regard to other industries, let us have a hard look at it and see whether mistakes have been made. Let us hear from all sides—the auto manufacturers, the auto parts people and the labour unions involved. After all, the hon. member for Danforth made some strong criticisms about the inaction of the automobile companies with regard to TAB. Why has there not been more action? This is what we would like to know.

I make this plea straight to the minister. If, within a month, we have this agreement before the house, back from the committee, we will be in a far better position to reach conclusions as to its value. I should like to be convinced that this was a good action. So far, we do not have enough information to reach such a conclusion. It is not just by sitting over there mummy-like or like wise old owls or Buddhas that the government will convince us or the country.

Mr. Knowles: Which is which?

Mr. Lambert: I am not referring to any particular minister. This is just the attitude of the government. It is not only members representing half a dozen or more constituencies in Ontario who have to be satisfied as to the value of this agreement. The whole of Canada is concerned. After all, this agreement, by reason of customs forgiveness, is costing us about $50 million a year. This is what has been indicated to us. The Minister of National Revenue (Mr. Benson) can shake his head. He should read some of the speeches his colleague and others have made in this regard.

• (9:10 p.m.)

This was given to us as the annual cost. It was to be an annual cost of $50 million in customs duties, and the benefits accruing to the major automobile manufacturers would total $50 million. If that is not the case then the ministers must clear this up in the eyes of the press. We have seen it mentioned editorially time and time again. We have seen it reported in news columns. If that is the wrong conclusion, then it should be corrected.

There is one way to get it cleared up, and this is before a committee where we can hear the appropriate testimony and where the ministers and officials can be examined. I now move, seconded by the hon. member for Hastings-Frontenac (Mr. Webb):

> That all the words after the word "that" in line 4 of the resolution be deleted and that there be substituted therefor the following:
>
> the said agreement be referred to the standing Committee on Industry, Research and Energy Development for consideration, examination of oral and written testimony with respect thereto and report to this house prior to further consideraion of the said agreement.

The Acting Speaker (Mr. Rinfret): Order. I have examined this amendment to the resolution with great interest and I would like to refer hon. members to citation 202(6) of Beauchesne which says:

> It is not an amendment to a motion to move that the question go to a committee.

I declare that this amendment is not receivable. Shall the resolution carry?

Some hon. Members: Carried.

Mr. Lambert: No, wait a minute please.

The Acting Speaker (Mr. Rinfret): The hon. member for Waterloo South.

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I intend to speak but briefly. I intend to speak on behalf of a riding that is highly industrialized, the riding of Waterloo South, which I have the honour to represent, a riding that to a considerable extent has benefited from the auto agreement. However, despite the fact that this benefit has taken place and that increased job opportunities have occurred in the riding, considerable concern is felt by everyone that we may have taken a step which, in the long run, may work to our disadvantage. Perhaps we have sold out for a mess of pottage. The step the government has taken may be of an irreparable nature.

What creates the greatest concern is the apparent conclusion the government has arrived at, the conclusion that continentalism is inevitable and, because it is inevitable, we should work out an arrangement that will make it even more inevitable.

The method the government chose to bring this measure into effect is also cause for concern, in the sense that it did not permit a debate in advance of the decision it made—a debate in the House of Commons among the elected representatives of the people. Such a debate would have provided an opportunity for a national diologue on this whole problem: In other words, do we want continentalism or are there some other choices open to us? The government does not appear to have considered the other choices that might have been available in this particular matter.

Admittedly the automobile industry was badly in need of rationalization and, as my colleague from Danforth (Mr. Scott) pointed out, the multiplicity of models being manufactured in Canada really made a mockery of any attempt to get an efficient industry operating in this country. Perhaps Canadians did not need all those models of automobiles. Perhaps we could have taken the step that has been taken by countries like Sweden, Germany, France and England, and developed a national automobile of our own. We could have achieved rationalization in that manner. We could have eliminated some of the worst features of splintering that exists in the industry, and could have been very efficient in the production of a national automobile.

With such a national automobile we could have embarked on world trade, as did the nations I have mentioned. They did not discover it necessary to go into continentalism and integrate their industry with the industry of another nation in order to survive. I do not know what the answer might have been, but at least the representatives of the Canadian people in this parliament would have had an opportunity for that kind of debate and for the exploration of these ideas.

As we look at the effects of the agreement now, I think we can say that it has provided employment opportunities. I do not think we can say it has done very much for the Canadian consumer, although there is a possibility that even that may happen in the future. But if we look at what it has done to the quality and the nature of our industry, I think we have to be extremely concerned.

Speaking on the adjournment debate one night I indicated that we in Canada were possibly going to be the new hewers of wood and drawers of water in a technological age, that the skilled work, the scientific work that is involved in the automobile industry would no longer take place in Canada, that opportunities for work of that quality would no longer be available to Canadians, that the nature of this agreement permitted the automobile companies to do tool and die work in the United States, to do their research in the United States, and then to send their products here for us to run assembly plants.

I know there is some benefit we receive from this sort of thing, but in the long run it may not be a benefit; it may be to our great disadvantage and we may find ourselves inexorably bound to continentalism and to a position from which we cannot retreat.

• (9:20 p.m.)

Even if some time in the future we consider it in the national interest to have something indigenous to our country, that also may have been lost. The people we may require, the skills that will be needed, and the techniques that are important at the top will not be available to us. We all are fearful that some of the statements, which are made in the United States by people who perhaps do not understand how deep is the feeling among Canadians—if I may use the expression—to be masters of our own house, may become a reality. I should like to quote from some of those statements which appeared in the *Financial Post*. It is reported that one manufacturer said:

To give up a big part of the profits from a Canadian operation to Canadians—who gain through

employment—is not my idea of the smart way to operate a foreign subsidiary.

He went on to say:

What are Canadians crying about? If the money was available in Canada to develop resources and industry, U.S. interests would not be there in such numbers and to such a high degree of ownership.

I really fail to believe the money for a national industry was not available for Canada. What I really am inclined to believe is that the will on the part of a government to ensure that we would have a national industry was not present and not meaningful. I am not attempting to be critical of the present Minister of Industry. I think his plan, within the framework of the philosophy which exists on the government side of this house, probably was the best plan that could have been devised, within certain limitations.

I should like, however, to go back to the initial consideration that was made. I have sufficient faith in the present minister and the people who advise him that, had the directive to the minister been "let us create an indigenous industry in this country, let us rationalize within ourselves rather than internationally" he could have accomplished that particular objective.

It is a great regret to me, as it must be to many Canadians, that this was not done. However, I am reasonably certain that this resolution will carry and that we will have to live with this pact for a long time. There are some things that the minister should consider doing immediately if he is to be as logical about the attendant difficulties as he was about continentalism. I have received letters from some of the industries in my riding which have pointed out, as have other members speaking tonight, the inability of one department of the government to communicate with another department of the government in order at least to give Canadian industry the opportunity to take full advantage of this particular pact.

I think we must untie the hands of our industry. We have said to them: Compete. I do not quarrel with that. I think our industry has to compete, and perhaps more so than it has in previous times; but if we tell them they have to compete, let us untie their hands and at least give them an equal opportunity.

I have a letter from an industrialist who starts off by saying "We are determined to compete". I think Canadian manufacturers deserve a great deal of credit. Faced with this kind of a revolutionary approach, they have indicated they intend to do everything possible to ensure that they are competitive in this kind of market. He goes on to say:

[Mr. Saltsman.]

The vinyl and vinyl coated fabric industry is presently being asked to compete on a continental basis in the area designated by the Canada-U.S. automotive agreement.

We are determined to compete on this basis and I know I do not have to outline to you the effect of the 11 per cent sales tax and a 22½ per cent duty on machinery and equipment, most of which is specialized and most of which is made either in the United States or the United Kingdom.

This whole matter has considerable immediacy as the international agreement covers dollars and cents and once the American companies have set their pattern to achieve the goals indicated, it will be very hard to change this pattern.

It is incumbent on the government regarding industry—and in this one in particular where you get into modified or relatively free trade—to see that the tariff which inhibits these industries from getting their machinery at competitive costs, and the sales tax which acts to their disadvantage in these matters, is removed. I think it is the very least the government can do. I am not calling for a blanket removal of tariffs or the sales tax; but in this kind of industry, where obviously they are going to have to fight for their lives, I think the government has an obligation to ensure they have the opportunity to do that without being at a disadvantage.

If the government requires revenue, it makes a great deal more sense to give our Canadian companies the opportunity to be competitive and to make a profit, and to take some of that profit afterwards. If we do not permit them to be competitive in the first place, there will be no profit from which we can derive taxation. So, from this point of view, it is my consideration that the government should act immediately in this area.

I should like to read into the record another letter from an industry in my riding:

The Minister of Industry has urged automotive parts plants to expand their facilities to meet the new demands to be made on Canadian industry by the Canada-United States automotive agreement. This we have done.

In 1964, we increased our manufacturing facilities by enlarging our building at a cost in excess of $100,000.00—sales tax (of course) was paid and is included at approximately $7,500.00.

This is a disadvantage which his United States competitor did not have. He makes these comments about the Minister of Finance, by way of justifiable criticism:

The Minister of Finance has stated that businesses should defer the acquisition of machinery and equipment. The policies of the two ministers cannot be reconciled.

Some of the policies of the minister and the former minister cannot be reconciled, judging from this morning's paper.

The one urges expansion and the other advocates the deferment of expansion.

I hope if the minister replies tonight that he will have something to say in this regard and will indicate which minister has made the better judgment in this case.

The parts manufacturing industry is in a unique position due to the Canada-United States automotive agreement and it would be disastrous to defer expansion at this time.

• (9:30 p.m.)

He points out that planning in private industry is very important, and that perhaps our government might learn something from private industry in this regard, and not bring in budgets on an almost year-to-year basis without an indication as to what the future holds. He points out that jobs for the 1968 automotive model year will be placed in 1966, and that he cannot wait for the minister to make a decision next year because he as a manufacturer has to make his decision this year. Production will commence in the summer of 1967 and facilities for this production must be available by that date. Should we not obtain jobs for the 1968 model, it is probable that no jobs would be available until 1970 or 1971.

These are very real dangers and concerns of the people who are being asked to compete in Canada, and I think it is incumbent upon the minister to provide them with answers if he wants them to be in a position to compete, as he says he does.

The writer goes on to state:

If we are to successfully compete with automotive parts manufacturers in the United States, we must be competitive price-wise, and must have the necessary equipment available to do the job.

The word "price-wise" lends authenticity to this document. I do not think anyone in this party would use that word. He then states:

This equipment must be ordered immediately for delivery in 1966 and 1967 and the retention of the sales tax is a most inequitable burden in our fight to compete successfully with the United States.

The minister has indicated that the sales tax may be removed next year, and that he has adopted the present policy because he wants to take a little heat off the economy. He is not only going to take heat off the economy if he continues to apply this policy to the automotive industry, he is going to make it stone cold.

I have often wondered whether we in Canada sometimes do not bargain hard enough. It is my impression that we act like lambs bargaining with lions, and I think we all know what happens to lambs that lie down with lions. They do not come out of such an association very well. To use a mixed metaphor, they usually get sheared. I do not think the government really realizes its power and authority. I am sometimes concerned because the minister does not assert his authority sufficiently.

I was impressed by the minister's statement at the time he tabled the correspondence between him and the automotive industry. I am not aware of what he said to the companies, but apparently the companies replied in the negative to his requests. The minister should be congratulated for at least making an attempt to persuade the companies to this way of thinking, but perhaps he should not have accepted their answers quite so readily.

I should like to quote from a letter addressed to the Minister of Industry dated January 13 on the letterhead of General Motors of Canada, Limited, which states in part:

It is our opinion that the elimination of the profit on sales of vehicles and parts produced in Canada by General Motors of Canada and affiliated Canadian companies to affiliated General Motors companies in the United States and other countries is also discriminatory and should be given added consideration.

I presume that means no.

Will the minister indicate why he made these requests of these companies and whether they were only part of the requests he intended to make?

It is my impression that these companies also replied in the negative in respect of the exclusion of depreciation on non-Canadian machinery and equipment, but I do not understand what that means. I hope the minister will have something to say in this regard, and will explain why his requests to the companies were turned down.

It seems to be a common impression in Canada that we are absolutely dependent on the United States, and in a terrible bargaining position for that reason. Apparently we dare not do anything that might offend United States companies, which can turn to their government for assistance. It was very enlightening to me to read an article which appeared under a Canadian Press heading at about the time the United States House of Representatives was holding hearings in respect of this Canada-U.S. agreement. The

news clipping I have in my hand states in part:

> Fears of go-it-alone Canadian alternatives—harmful to the U.S.—were cited as primary reasons for approval by major speakers from both Democratic and Republican parties.

The United States gains substantial benefits from trade with Canada, just as we gain from trade with the United States. I do not think we should be reluctant in pressing our demands when negotiating agreements with our great neighbour to the south. I do not think we should hide our light under a bushel, or act like lambs in our negotiations.

In concluding I should like to express concern about the ultimate implications of government policies in this field, and to join with my colleague, the hon. member for Danforth (Mr. Scott) in his hope that no further continentalism of this type will take place in future negotiations. I hope there will be no more back door entries of this kind, but rather that such agreements will be placed before this House of Commons for a full and complete airing, so that the final results will represent the true desires of Canadians.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, my participation in this debate will be very brief. We on this side of the house are aware that there are a tremendous number of complaints being made about this agreement, not only about the effects of it, but also about the way in which it was negotiated and put before this house. We believe assurances are required that any future action of this type by the minister or the government will be placed before parliament before it is taken.

• (9:40 p.m.)

We feel that our responsibility to Canada and the industry is such that we must, under the circumstances, be able to hear and understand all the complaints that are brought forward. We know there is some advantage in this agreement. We also know there is in it some great disadvantage in regard to the smaller types of manufacturing plants, and therefore to many Canadian municipalities and people. This has been made very evident in the course of the debate.

Inasmuch as the agreement is in effect, and has been for this protracted period of time, without the possibility of discussion in parliament, so as to provide a safeguard for the future which was not provided in the method used to implement the agreement, I believe this entire matter should be sent to the standing committee for consideration as has already been suggested. But as an alternative to this suggestion, it is my pleasure now to move, seconded by the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard):

> That after the word "same" in line 4 there be added the following:
> "provided that the said agreement may not be renewed in its present or in an amended form without the prior consent of parliament."

Mr. Speaker: Order, please. I—

Mr. Lambert: Mr. Speaker, I am wondering whether Your Honour would be prepared to hear argument on this amendment.

Mr. Speaker: Yes. I should very honestly tell hon. members that I had anticipated, as I assume I should, this type of amendment and have given the matter serious thought during the day. I have very serious doubts whether this amendment is receivable or not; but I would be very grateful to hon. members if they would help the Chair in reaching a decision in the matter.

Mr. Lambert: I realize, Mr. Speaker, that the question of whether a resolution may be amended is a fairly thorny one, outside of course the obvious six months hoist or something of that nature. But that is not the purpose of this amendment. Earlier this evening I sought to move an amendment to send the agreement to a committee of the house for consideration. Mr. Speaker's deputy at the time ruled it out of order and referred to a citation in Beauchesne on which I must reserve opinion because I want to see the citation's references. Sometimes I must regretfully conclude that some of the outright authorities so indicated are on some other proposition, and not all these references can be taken at their absolute face value.

Be that as it may, Your Honour's deputy made that ruling with regard to sending the agreement to a committee. However, the purpose of this amendment is merely to impose a proviso, which is within the power of parliament, in regard to a resolution. The resolution asks for the approval of parliament, and parliament is entitled, I would submit to Your Honour, to impose a condition upon its approval. This is all the amendment seeks to do. It does not seek to introduce any new subject matter which goes beyond the resolution. All it says is that if the house accepts the original motion, it will approve the agreement, but that such agreement cannot be renewed in its present or in an amended form

without the prior consent of parliament. That is all the amendment does. It does not introduce any new subject matter.

It is certainly not a vague amendment; and even vagueness cannot disqualify an amendment. So I would put it to Your Honour that the purport of the amendment is entirely within the power of this house to approve. Since we are being asked for our consent, we certainly can impose a natural condition that a certain agreement be not renewed without our prior consideration. Therefore I submit to Your Honour that this is the type of amendment that is quite acceptable at this stage because it refers to a resolution which we are not to see in any other form.

This is not a resolution preceding a bill. This resolution is the finality of the matter. I would find it an extremely strange proposition if it were to be held that this type of resolution, which is not followed by a bill, could not be amended in the form proposed by the hon. member for Grey-Bruce (Mr. Winkler). Otherwise everything can be done by way of resolution and the hands of the house are tied absolutely; it becomes a rubber stamp. With the greatest respect I would point out to Your Honour that this is not the case and should not be the case.

• (9:50 p.m.)

This is a matter which is different from the ordinary type of resolution that we see before a money bill. We have also on occasions amended resolutions to set up committees and what have you. Therefore, I would suggest to you, Mr. Speaker, that the amendment is quite in order.

Mr. Pickersgill: Mr. Speaker, I wonder if I could argue perhaps in a tentative way as the hon. member for Edmonton West has been doing. The hon. member was obviously not feeling very sure of his ground and perhaps I am not too sure of mine. However it did seem to me, sir, that if this proposition is to have any validity at all, it is a separate proposition and would therefore require notice. It does not in any sense amend what the house is being asked to approve. It purports to bind the government and perhaps a future parliament, although I do not see how it can do that. In fact, I think it could be better argued that it really has no meaning at all. We all know that under the strict interpretation of the constitution these agreements are ratified by the Crown and they do not in fact require —through it is a constitutional practice—to ask for approval of the house.

If what has become a constitutional practice is followed, the agreement would not be ratified by any future government without the consent of the house, if it came forward again. If the ordinary constitutional practice which we now have is followed, any agreement of this sort is brought by the government to both houses before there is ratification. So this is simply asserting something which is a constitutional practice in any event.

Mr. Winkler: May I ask the minister a question?

Mr. Pickersgill: Certainly.

Mr. Winkler: Indeed that argument may be fair enough, but if the government had acted in good faith initially we would not be here discussing the proposition 15 months later to rubberstamp it. Surely in the constitutional sense to which the minister is making reference, we have the right to have these assurances built in tonight, by the determination of the house for the future. We want to control parliaments, and we want to assure the future parliaments that the good faith of the government does exist.

Mr. Pickersgill: Mr. Speaker, I am not arguing the question of good faith or the lack of good faith because it seems to be totally irrelevant to the point of order. The point is whether this is in order according to our rules.

Mr. Speaker: Well, I suggest to hon. members that I believe I am in a position to express an opinion now. However, I see that other members want to contribute to the discussion and I shall be pleased to hear from the hon. member for Winnipeg North Centre.

Mr. Knowles: Mr. Speaker, I confess that I would very much like to hear the results of your research. The only trouble is if I hear those results, then I might not have a chance to speak. We could then be in a situation where a ruling cannot be discussed. Therefore, may I inquire whether Your Honour has taken a look at citation 201 of Beauchesne's Parliamentary Rules and Forms, fourth edition, the first sentence of which reads as follows:

> The object of an amendment may be to effect such an alteration in a question as will obtain the support of those who, without such alteration,

must either vote against it or abstain from voting thereon, or to present to the house an alternative proposition either wholly or partially opposed to the original question.

I cannot quite tell from your smile, Mr. Speaker, what you are thinking. At any rate, it seems to me that this amendment does come within those terms; it proposes an alteration in the question which would make it possible for some to support the main motion who might otherwise feel that they cannot do so.

There are, of course, other conditions that amendments must meet. I realize that it is not good enough to read a citation such as this and say this amendment falls within those terms and therefore it must be satisfactory. However, I have tried to look at the various requirements that relate to amendments. One, of course, is that an amendment must be relevant to the question which is before the house. With respect to the law of relevancy on an amendment, I am quoting from the second paragraph of citation 203(1):

The law on the relevancy of amendments is that if they are on the same subject-matter with the original motion, they are admissible, but not when foreign thereto.

It does seem to me that this amendment is clearly in the same field. It has to do with whether or not the house wishes to approve of the agreement that has been signed between the two governments.

Another requirement, of course, is that an amendment put together with a main motion must result in a complete question that is intelligible with itself. I have read for my own purposes the original motion moved by the Minister of Industry which suggests that the house and parliament do approve of this agreement. Then in my own mind I add the words, "provided that the said agreement may not be renewed in its present or in an amended form without the prior consent of parliament." It seems to me that there is no difficulty on that score. This produces a proposition which is intelligible and consistent with itself.

The Minister of Transport raised the question as to whether we have the right to amend the agreement. I believe this is the substance of what he said. I see he is shaking his head, so I assume he must have said something else. In any event, I am under the impression his suggestion was that we do not have the right to amend an agreement,

[Mr. Knowles.]

whether or not that agreement is an executive act.

Mr. Pickersgill: I did not make that suggestion at all.

Mr. Knowles: Let me make my comments as to what I think the minister said, and then *Hansard* can sort it out. I would just like to make the point that this amendment does not alter the agreement in any respect. It merely seeks to add a provision with respect to it, by means of an amendment. The house is being asked to give its approval. It seems to me that it is logical for the house to say that we are prepared to give that approval on certain conditions and up to a certain point. As I understand it, without this kind of limitation being imposed by parliament, the government could renew the agreement in its present form or in some amended form without coming back to parliament, and certainly without coming back before it would make such a change. It does seem to me that parliament can modify or qualify what it does, and if we are prepared to give approval, I believe that we in common sense should have the right to qualify that approval.

Now, it may be, Mr. Speaker, that you have gone over all these citations which I have drawn to your attention, and you may have some others which are on the other side. I am quite prepared to admit this. I suppose one which Your Honour will probably fall back on is that this is a motion of such substantial difference that it requires notice. It seems to me that that is hardly the case—that what is on the order paper is a notice of approval, and that all we are suggesting is that the approval have a certain deadline in it so far as the date is concerned. I suggest that if you go back to the citation which I read in the first place, namely citation 201, that this is a case of effecting such an alteration in the question as will make it possible for those who do not find it feasible to support it in its present form, to support it in its amended form. I hope Your Honour will give consideration to these points, perhaps overnight.

• (10:00 p.m.)

Mr. Gray: Mr. Speaker, may I have a moment to bring to Your Honour's attention—

Some hon. Members: Ten o'clock.

Mr. Speaker: Order, please. I can tell hon. members I am prepared to render a judgment now or to express an opinion. If they wait

until tomorrow my decision might be more lengthy, but it would not be different from what I am going to say now.

Mr. Lambert: The only thing, Mr. Speaker, is that if Your Honour makes a ruling it may bring forward the resolution for further discussion. I suggest it is ten o'clock.

Mr. Speaker: Well, I will render my judgment tomorrow, if that is what the hon. member for Edmonton West (Mr. Lambert) wants.

Mr. Lambert: Basing themselves on Your Honour's ruling, members of the house may have to decide what course of action they should take, and I should not like to have that precipitated at four minutes after ten.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

PUBLIC WORKS—TORONTO—PLACING OF FILL IN LAKE ONTARIO

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I rise once again to bring before the members of this house the question of the placing of fill illegally in Lake Ontario in contravention of the Navigable Waters Protection Act, and evidently with the implicit agreement of some members of the government. I rise tonight in particular because of the reaction to this in the town of New Toronto, a municipality with at least 10,000 population which has received a letter from the Department of Public Works pointing out the municipality had not received a permit to extend two public parks into Lake Ontario. One of these parks is the centennial project of the town of New Toronto.

The New Toronto *Advertiser* of a week ago today has an eight-column streamer "Rap New Toronto Park Fill". Then there is a three-column heading: "Developers can, why can't we? Councillors answer government warning". The article reads as follows

> New Toronto councillors were all but incredulous Monday when they received a letter from the federal Department of Public Works pointing out the town had no permission from the department to dump fill in the lake at two park sites.
>
> The letter from district engineer R. P. Henderson said a complaint had been received from the Lakefront Owners' Association questioning the legality of the town dumping at Rotary park, at the foot of 10th street and Prince of Wales park, at the foot of Second street. The latter is the town's centennial project.
>
> Councillors took umbrage to the letter because they felt the municipality should not come under fire for dumping fill in the lake, while private developers did so unhindered.
>
> Mr. Henderson said his office had no record of the department granting approval to New Toronto to dump fill in the lake.

I might add that they also have no record of permission having been granted to Long Branch developers, Millgate Developments.

> Lakefront Owners' Association president Douglas Martin said the association laid the complaint as a matter of course. "The law is there that permission must be obtained from the Department of Public Works before dumping fill in the lake and it must be upheld", he said.
>
> The lakefront owners were responsible for stalling the Millgate twin 18-storey apartment building project which was to be built on a filled water lot. This battle has yet to be settled.
>
> According to the Navigable Waters Protection Act, any work which has not been approved by the Minister of Public Works may be removed at the expense of the offender.
>
> Councillor Gordon Baycroft motioned a letter be sent to Mr. Henderson informing him that the matter would be thoroughly discussed at a committee of the whole meeting and a full report would be forwarded to him at that time.
>
> Meanwhile, council is wondering why the finger is being pointed directly at them when so many other cases are evident along the lakeshore.
>
> Mayor Don Russell questioned if authority had even been given to fill operations at Exhibition park and at the Westerly Purification Plant on 23rd street where extensive public works projects have been carried out.
>
> Councillor Harry Brown mentioned the area behind the West Point Motel, the Chicken Palace and the Millgate water lot in Long Branch as areas which should also be investigated.

I point out that on Tuesday of this week the Toronto *Daily Star* on the front page of the third section ran an eight inch deep cut across three columns to point out that Metro Toronto is filling in 600 acres of lake Ontario. I can assure you that no permit has been granted for that plan whatsoever. The statement on the front page of the *Star* says:

> They've now accumulated a quarter million cubic yards of dirt and next year they'll start dumping it in the lake.
>
> Two years and 6,000,000 tons of fill later, they'll have created 100 acres of new land between Mimico creek and the Humber river.
>
> By 1985, Metro's two-year-old waterfront advisory committee hopes to push the new shore line up to 2,000 feet into the present lake . . .

Absolutely no permission has been granted for this fill to be dumped into lake Ontario,

which is being done despite the provisions of the Navigable Waters Protection Act. It is two years ago last March, which is 26 months ago, when I first began to ask cabinet if it would make this a matter of reference to the Supreme Court of Canada. I asked for clarification for the Minister of Public Works as to what is the meaning of "patented waterlots".

Mrs. LeBourdais wrote a small paperback book on the Truscott case and sent the whole cabinet into a tizzy. Perhaps we in the ridings of York-Humber and York West should get a paperback writer to set out the facts of this illegal fill being dumped into lake Ontario between the Humber river and Etobicoke creek. Possibly if we pile up record sales of the book dealing with this illegal fill we may get the matter before the Supreme Court. Mrs. LeBourdais even got the cabinet to put up the money for the lawyer who will take the Truscott appeal to the Supreme Court of Canada.

We, in the ridings of York-Humber and York West ask for a reference to the Supreme Court of Canada. We do not want an explanation by the Minister of Public Works, who has said that "I should explain where the responsibility of this lies." We have not accepted his explanation. We want an explanation by the Supreme Court as to what is meant by a patented waterlot, and what the rights of the proprietors holding them are. We do not want some interpretation by the Minister of Public Works.

The last minister said that this was not a hazard to navigation. Then he ordered navigation lights to be put on this spit of mud in lake Ontario to protect navigation. But it was not a hazard, because he said so.

You will be interested to know that last week the owners of this spit of mud sticking 470 feet into lake Ontario had bulldozers on the property, and were putting in an electric cable, and were putting up two lights which were much more powerful than those they had last year. If this is not a hazard to navigation why are the owners of this spit of mud putting up these lights?

When you have to put up navigation lights, obviously it is a hazard. We should like to have a reference to the Supreme Court of Canada so that we may know exactly what are the rights of owners of patented waterlots. We ask that this be done, because the bill affects the right of residents of York-Humber and York West. Must we have something like the LeBourdais book before we can get some action by the cabinet on this situation?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, the hon. member made reference to the town of New Toronto which is concerned with building a park on the shore of lake Ontario. No complaints have been received that the town is proceeding with this work, or that it will interfere with navigation on a navigable water.

When we found out that fill was being dumped into lake Ontario we immediately sent a man down to find out precisely what was being done. We also gave to the town information relating to the Navigable Waters Protection Act with respect to the type of permit required, and that sort of thing. So far as I know, the conduct of the representative who went to investigate at all times was courteous, and I am not aware of any dissatisfaction on the part of the town. We have not in any way stopped the town from putting the fill in.

• (10:10 p.m.)

This is very much an active matter at the moment. I regret I was not aware until after six o'clock, when the department was closed, that this discussion would be raised tonight. Had I known, I would have found out what messages have passed back and forth today, if any. There may or may not have been any; I did not have an opportunity to check. Had I known this matter was to be discussed tonight I would have checked and been able to give full information.

As to the other matter, the suggested reference to the Supreme Court, I indicated on a previous occasion exactly what action we were taking in this field generally. I believe this to be the right course of action. I do not think it is proper to attempt to repeat what I said then, even in an abridged form.

HOUSE OF COMMONS—INQUIRY AS TO HOLDING OF BY-ELECTION IN NICOLET-YAMASKA

[Translation]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, yesterday the Speaker officially announced the resignation of Mr. Clément Vincent as member for the constituency of Nicolet-Yamaska.

I should like to put the following question tonight to the Prime Minister or his spokesman: will a by-election be held soon in this riding? It is imperative, in my opinion, that a by-election be held as soon as possible.

It is not advisable to deprive constituents of a representative for a period of time. This is an elementary democratic principle.

Second, since we shall soon be celebrating our centennial, and in a year as historic as 1967, it is essential that the voice of all parts of Canada, without exception, be heard throughout the country, for celebrations on such a large scale.

Third, the new electoral map which is to be in force in the next general elections will result, under the proposed draft, in the elimination of the constituency of Nicolet-Yamaska and the absorption of the area by other ridings.

In such circumstances, what candidate could be interested in being elected merely for a few months, say for one year, if the by-election were put off to a later date and then to face another general election shortly after? Such a candidate would be elected to represent for a short time a riding doomed to oblivion. If the election were held within a few months, then a candidate could be interested in being elected from a period of three years.

Fourth, the constituency of Nicolet-Yamaska is French speaking and has always been represented as such in the House of Commons.

In the crucial times our country may have to face in the years to come, French speaking Canadians will need everybody at all times.

It is unfortunate to note that able men from the province of Quebec find provincial politics more attractive than federal politics.

That is an alarming tendency which must be countered, as well as the overbidding by nationalists which will take place during the provincial elections in Quebec. This is a tendency which must be reversed.

Instead of always thundering against the federal government, the leaders of political parties in Quebec should recognize the superiority and the policy of greatness of the Prime Minister (Mr. Pearson), who is making constant efforts to promote racial equality in Canada. They should stop decrying the federal government and recognize its vital importance.

In conclusion, I shall castigate the Leader of the Opposition and the Conservative party for not having retained in their ranks such men as Léon Balcer, Rémi Paul and Clément Vincent, through fanaticism and lack of adaptation to the Quebec reality. French Canadians leave the Conservative party; the departure of Clément Vincent was a repudiation of his party.

Mr. Speaker, in closing I say that it is urgent to hold a by-election in Nicolet-Yamaska, because the government, which now has 131 members, would then have 132 and would come a step closer to a majority. I predict we will have a majority government before the end of our term of office and I hope there will not be any general elections before 1970.

Mr. P.-E. Trudeau (Parliamentary Secretary to Prime Minister): Mr. Speaker, the government easily understands the urgency mentioned by the hon. member for Lotbinière (Mr. Choquette) to hold a by-election in the riding of Nicolet-Yamaska.

The government would, of course, be tempted to call that election as soon as possible and for the very reasons given by the hon. member.

However, the government must necessarily hesitate to take any hasty action and must act with its usual coolness, in the spirit of fairness which must guide the calling of an election.

The government knows that it will be relatively easy for the electors of the riding of Nicolet-Yamaska to find willing candidates.

We, on this side of the house will be happy to welcome the successful candidate after that election. But, in all fairness, we must realize that on the opposition side, it might not be so easy to find a candidate willing to run.

• (10:20 p.m.)

The people must be given time to get used to the idea of having to choose a candidate from one of the parties of the opposition. With a view to balancing, on the one hand, a desire to welcome a new member on the government side and, on the other hand, a desire to be fair in allowing the opposition to prepare itself for this eventuality, we must not rush into elections.

But the hon. member and the voters can rest assured that the government is considering the matter with interest, that it intends to call elections as soon as possible and when indicated, that it intends to win them.

Mr. Paul Langlois (Chicoutimi): Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Rinfret): Order.

Mr. Langlois (Chicoutimi): I rise on a question of privilege, Mr. Speaker.

The Acting Speaker (Mr. Rinfret): Order. I am sorry, but the hon. member cannot raise a question of privilege at this time.

Mr. Jean Chrétien (Saint-Maurice-Laflèche): Mr. Speaker, I rise on a point of order. I should like to point out that during the speech made by the hon. member for Lotbinière (Mr. Choquette), there was not a single Progressive Conservative in the house.

The Acting Speaker (Mr. Rinfret): Order. According to the rules, on the adjournment of the house, a member can debate a question for which he is granted seven minutes then, the minister concerned or the government spokesman is entitled to three minutes to reply. Therefore, a question of privilege cannot be raised, nor any point of order, at this stage.

Motion agreed to and the house adjourned at 10.23 p.m.

HOUSE OF COMMONS

Friday, May 6, 1966

The house met at 11.00 a.m.

[*Translation*]

COMMITTEES OF THE HOUSE

SIXTH REPORT OF STANDING COMMITTEE ON BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Mr. Gérard Pelletier (Hochelaga) presented the sixth report of the standing committee on broadcasting, films and assistance to the arts.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

Mr. Gérald Laniel (Beauharnois-Salaberry): On a point of order, Mr. Speaker. You continued with motions, when I had myself a report of a standing committee of the house to present. May I continue?

SECOND REPORT OF STANDING COMMITTEE ON VETERANS AFFAIRS

Mr. Gérald Laniel (Beauharnois-Salaberry) presented the second report of the standing committee on veterans affairs.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

• (11:10 a.m.)

[*English*]

INCOME TAX

CLARIFICATION OF PROPOSED EXEMPTION FROM WITHHOLDING TAX

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, since I introduced my budget on March 29 some questions have been raised as to the precise coverage of income tax resolution No. 3 which, as the house knows, exempted interest payments on certain bonds and other obligations from the 15 per cent non-resident withholding tax. There has been some uncertainty about the exact scope of this measure, and in order to remove this uncertainty I thought it was important to make a statement as soon as possible.

In view of the fact that the measure applies in respect of such bonds issued and being issued since April 15, 1966 it is important for those concerned to know at this time in precise terms what issues we intend should be exempt, after considering the detailed legal comments we have received on the resolution.

We propose that with respect to bonds, debentures, bills, notes, mortgages, hypothecs or similar obligations issued after April 15, 1966 interest on such obligations (a) of or guaranteed by the government of Canada; (b) of the government of a province or an agent thereof; (c) of a municipality in Canada or a municipal or public body performing a function of government in Canada (this includes a school board or commission); (d) of a corporation, commission or association not less than 90 per cent of the shares or capital of which is owned by Her Majesty in right of a province or by a Canadian municipality, or of a subsidiary wholly owned corporation that is subsidiary to such a corporation, commission or association; (e) of an educational institution or a hospital where repayment of the principal amount thereof and payment of the interest thereon is to be made, or is guaranteed, assured or otherwise specifically provided for or secured by the government of a province, be exempt from the 15 per cent non-resident withholding tax.

These terms will be specifically spelled out in the bill to be introduced following the adoption of the income tax resolution.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I would like to make a comment because I am interested in this. I have had correspondence with the minister with regard to some of the local governmental authorities that did not appear to be covered in the resolution. I am taking it that I have understood the minister correctly when I suggest that such bodies as the Greater Vancouver Water Board and the Greater Vancouver Drainage and Sewage Board will be included in this exemption.

Mr. Sharp: Mr. Speaker, I always hesitate to give legal opinions in the house. I have tried to set out the terms as clearly as possible. I suggest to the hon. member that after he has had an opportunity of looking at the statement he might, on another day, ask me questions on the orders of the day, or perhaps the best time would be when the resolution itself is under discussion.

Inquiries of the Ministry

Mr. Starr: On a point of order, Mr. Speaker, are we launching into a debate?

Mr. Speaker: That is a very good comment. I would draw attention to the proposition made by the Minister of Finance.

CANADIAN LIVESTOCK FEED BOARD

WITHDRAWAL AND REPLACEMENT OF RESOLUTION PRECEDING BILL

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, as I indicated at the close of the sitting on Wednesday last, item No. 48 on the order paper, being a resolution preceding the introduction of a measure to establish a corporation to be known as the Canadian livestock feed board, has an inadvertent omission in it. It has been drawn to my attention that a provision in the bill is neither provided for nor referred to in the resolution. I would ask the unanimous consent of the house to withdraw the existing item No. 48 and replace it by the new and correct version.

Mr. Diefenbaker: Would the minister point out what is the change?

Mr. McIlraith: The only change in the resolution is the addition at the end thereof of the words:

—plus any amount advanced to the board as authorized by the Governor in Council pursuant to the said measure.

I may say that His Excellency the Governor General recommends the resolution to the consideration of the house.

Mr. Speaker: Has the minister leave of the house to substitute the revised resolution which has been recommended to the house by His Excellency the Governor General, to replace the resolution appearing as item No. 48 on the order paper?

Some hon. Members: Agreed.

HOUSING

REPORTED LAY-OFFS THROUGH SHORTAGE OF MORTGAGE MONEY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct this question to the Minister of Labour. It arises out of his statement regarding government policy in respect of loans and Central Mortgage and Housing Corporation. Since making that announcement has the minister been advised by builders organizations and other ancillary trades across Canada that there have been an increasing number of lay-offs in construction; and in the face of these seriously increasing lay-offs in the building and ancillary trades is the government giving consideration to making provision for additional amounts of mortgage money, instead of requiring builders to find their own funds elsewhere at interest rates that are prohibitive?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I have had a few such communications, but not nearly as many as I had expected having regard to some of the representations which were made before the announcement was made. The government has the matter under constant study, but I do not contemplate any change in our policy as announced earlier in the week.

INDUSTRY

COPPER—INQUIRY AS TO POSSIBLE PRICE INCREASE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that the cost of living index for April was 4 per cent higher than for the same month in the previous year, has the attention of the minister been drawn to the fact that some of the copper producing companies are likely to raise their domestic price above the present level of 45 cents a pound and if so is the government planning to take any action to prevent this increase which could stimulate another rise in the cost of living?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I was not aware of the intention of the copper producers. I do know something about the copper situation. My colleague the Minister of Trade and Commerce has taken measures to protect the domestic supply. The measures the government has taken have had a very moderating effect on the price, which is much lower in Canada than it is in many parts of the world.

Mr. Douglas: Mr. Speaker, may I ask a supplementary question. I should like to ask the minister to tell us how it is that the United States, with all the inflationary pressures in that country, is keeping copper at a price of 36 cents when it is not possible for the Canadian government to keep the price at 45 cents?

Mr. Speaker: Order. The question is argumentative.

[*Translation*]

IMMIGRATION

FURTHER REQUESTS FOR ENTRY OF AGRICULTURAL WORKERS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I direct a question to the future minister of manpower?

The other day I asked the minister if he had received other requests for imported labour. Can he tell us now if other provinces have made similar requests for help at harvest time?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, as far as I can remember two provinces have requested help to pick the fruit and vegetable crops; I think they are British Columbia and Alberta.

[*English*]

Mr. W. B. Nesbitt (Oxford): I have a supplementary question. Will the Minister of Citizenship and Immigration make sure that this year the officials of his department see to it that workers coming into Canada from other countries are not sent out of the country before they complete their jobs, as has been the case on numerous occasions in the past?

Mr. Speaker: Order, please. I am sure the minister has made note of the hon. member's representations.

LABOUR CONDITIONS

REPORTED STATEMENT BY MINES MINISTER RESPECTING COAL MINERS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys regarding a statement he made to the effect that 6,500 Nova Scotia coal miners are to be replaced by automation as the result of a switch from the use of coal to electricity and atomic energy. Can the minister inform this house when these miners will have to be transferred from their present employment, as he has suggested, and indicate his basis for this statement?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): The newspaper article to which the hon. member is apparently referring indicates that I made reference to 65,000 miners. The number involved is actually 6,500. Obviously the reporter who wrote that article was not fully attuned to the intricacies of this problem. What I did say related to an assessment of the difficulties miners are experiencing, particularly those in Cape Breton. I also said that coal was not playing the role in today's economy it played in the nineteenth century. I merely analysed the problem without expressing any views as to what might be done in respect of the situation in Cape Breton. I could not do that, because that would involve government policy and we are not ready to make an announcement as yet.

Mr. Muir (Cape Breton North and Victoria): I have a supplementary question. In view of the fact the minister is quoted as having said these miners will have to be transferred to other employment, I should like to know whether he considers that a statement of that magnitude should be announced at a meeting of the Hull Jaycees before such information is made available to members of the House of Commons, the people of Nova Scotia and the miners who will be affected by such a decision.

Mr. Speaker: Order, please. I believe the discussion is now becoming an argument between the hon. member and the minister.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a supplementary question for the Minister of Mines and Technical Surveys. In view of his statement about the role being played by coal in today's economy, and in view of the fact that the Dominion Coal Board acts in an advisory capacity to the minister, will he consider what that board has to say about the use of coal at the present time and in the future, in order that he can bring himself up to date on this subject?

Mr. Pepin: Both the Minister of Finance and myself have had conversations with Dosco, if that is what the hon. member is suggesting. We have done so as part of the process of considering everything that can be said by anybody on the subject.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I put a supplementary question to the Minister of Mines and Technical Surveys?

Is the minister taking similar steps concerning miners in the gold mines of northwest Quebec? Is he now considering the

problem and has he come to a conclusion or to an agreement with the authorities of the provincial Department of Mines?

Mr. Pepin: Mr. Speaker, the problem is one of manpower; it is a social matter and the hon. member for Villeneuve knows as well as I do the position taken by the province of Quebec on these matters. We have informed the Quebec government that we are at its disposal for any co-operative action that could be taken.

Mr. Caouette: Is co-operation coming, is it in the making?

Mr. Speaker: Order. I think the hon. member for Villeneuve will agree that his question is not acceptable at this time.

[*English*]

[*Later:*]

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Minister of Mines and Technical Surveys and is supplementary to a question I posed a few moments ago. Since the minister claims to be another of those misquoted and misunderstood ministers, may I ask him to make available to the house the text of his address to the Hull Jaycees so that we might better appreciate his statement regarding coal mining, in view of the fact that he appears more willing to discuss the matter with the Jaycees than with the coal miners of my province.

Mr. Speaker: Order, please.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have a supplementary question, without the argument, and it is directed to the Minister of Citizenship and Immigration. In view of the urgent situation created by the unemployment of coal miners—

Mr. Speaker: Order, please. Are we not getting argument in your question?

Mr. Herridge: No, sir; I am quite sure this is a statement of fact. Has the Minister of Citizenship and Immigration brought to the attention of these miners the job opportunities available for miners in the Kootenays at the present time?

Mr. Speaker: Order, please.

[Mr. Caouette.]

FISHERIES

NORTH PACIFIC—DISPUTE WITH U.S. OVER SALMON

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I intended to direct my question to the Minister of Fisheries but in his absence perhaps I should direct it to the Secretary of State for External Affairs. What steps is the government taking to mediate the dispute between Canadian and United States salmon fishermen arising out of the controversy about the Noyes island area of the north Pacific, particularly in view of statements made yesterday in the United States congress which would indicate that this is a very critical situation?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I would ask the acting minister if he would deal with this question.

Hon. J. W. Pickersgill (Acting Minister of Fisheries): I think the only way I can deal with the hon. gentleman's question is to bring it to the attention of the Minister of Fisheries, which I shall be glad to do.

CANADIAN NATIONAL RAILWAYS

DISCONTINUANCE OF CARGO SERVICE TO CHURCHILL, MAN.

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Transport. Have representations been made to the minister protesting the discontinuance by Canadian National Railways of cargo service to Churchill, Manitoba, thereby increasing the cost of shipping automobiles by more than 300 per cent?

Mr. Speaker: Order, please. I doubt whether the question is so urgent that it should be asked now.

Some hon. Members: Oh, oh.

Mr. Speaker: But perhaps it might be allowed.

Mr. Simpson: On a point of order, Mr. Speaker—

Mr. Speaker: Is the hon. member objecting to my allowing the question?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the allegations of the

hon. gentleman—and I use the word "allegations" because in the notice of his question he used the word "apparently"—have not yet come to my notice; but if they should prove to be correct I expect I will be receiving representations.

Mr. Simpson: A supplementary question, Mr. Speaker. Would the minister be prepared to look into such representations immediately in order to rectify this situation?

Mr. Pickersgill: That is done almost automatically in these matters.

Mr. Diefenbaker: "Almost" automatically.

FINANCE

COLLECTION OF SALES TAX ON CENTENNIAL PROJECTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in view of our approaching centennial, and to promote the spirit of unity in this house and in Canada, I wish to address a question to the Minister of Finance. Can the Minister of Finance explain why sales tax is charged on centennial projects which are entirely financed by grants from various levels of government?

Mr. Speaker: Order, please. I would invite the hon. member to place that question on the order paper.

[*Later:*]

Mr. Herridge: I wish to rephrase my question to bring it in order. Has the Minister of Finance received any representations from persons or groups in Canada objecting to the payment of sales tax on centennial projects financed by grants from all levels of government?

Hon. Mitchell Sharp (Minister of Finance): Yes, Mr. Speaker; from many people.

[*Translation*]

[*Later:*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a supplementary question to the Minister of Finance following his answer to the hon. member for Kootenay West (Mr. Herridge) concerning the numerous representations he received with regard to the 11 per cent tax.

Could the minister tell us what answer he gave to those representations or to those who complained to the minister?

[*English*]

What was the minister's answer to these complaints from people in Canada with regard to the 11 per cent tax?

Mr. Sharp: Well, Mr. Speaker, I gave part of that answer in my budget speech, when I promised to remove that tax beginning next year and the year after on production machinery.

Mr. Starr: After the buildings are completed.

Mr. Sharp: In so far as buildings are concerned, I said the tax would not be removed.

NATIONAL PARKS

WATERTON LAKES—REQUEST FOR REPLACEMENT OF SOFTBALL DIAMOND

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources, but since he is not in his seat perhaps his parliamentary secretary will accept the question. I would ask the minister to table a copy of all correspondence between the minister and park officials both in Ottawa and Waterton Lakes national park concerning the replacement of a softball diamond for the use of all in Waterton park, which park officials and the minister have refused to re-establish somewhere in the park.

An hon. Member: Let's play ball.

Mr. Kindt: That is what I and the people out there are asking the minister to do.

Mr. Speaker: Order, please. The question cannot be accepted.

COAL

INQUIRY AS TO REPORT ON ASSISTANCE PROGRAM

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Finance. I would ask the minister whether the Donald report has yet been received. If not, when does he expect it, and upon receiving it will it be released?

Hon. Mitchell Sharp (Minister of Finance): The Donald report has not yet been received. When it is, we shall determine whether it would be appropriate to have it tabled.

Inquiries of the Ministry

Mr. MacInnis (Cape Breton South): I have a supplementary question to the Minister of Mines and Technical Surveys with respect to the same problem. Since the government has been declining to answer questions in respect of the mining problem in Nova Scotia because the Donald report had not yet been delivered, on what grounds does the minister now publicly state that he is worried about a situation which the Donald report and government policy were supposed to alleviate?

Mr. Speaker: Order, please. The question is argumentative.

Mr. MacInnis (Cape Breton South): So is the attitude of the government.

CROWN CORPORATIONS

NORTHERN ONTARIO PIPE LINE—INQUIRY AS TO REPEAL OF LEGISLATION

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, my question concerns a minor housekeeping item. I should like to ask the Minister of Mines and Technical Surveys the following question. In view of the complete cessation of the operations of the Northern Ontario Pipe Line Crown Corporation, has the minister any plans to announce the repealing of the legislation which keeps this now defunct organization in existence?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I am aware of the problem. Could I take the question as notice, and I will try to provide an answer soon.

AGRICULTURE

REQUEST FOR ROYAL COMMISSION TO INQUIRE INTO FOOD INDUSTRY

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Could the minister say whether a request has been received from the farmers union asking for the establishment of a royal commission to inquire into all aspects of the food industry? If so, what consideration is being given to this request?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I thank the hon. member for giving me notice of this question. This request was made by the farmers union in their brief to the government, but at the present time the government has no intention of establishing such a commission.

[Mr. Sharp.]

HEALTH AND WELFARE

REQUEST FOR STATEMENT ON CONTROL OF DRUG LSD

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the variety of statements being made with reference to the drug LSD, particularly in regard to its dangers, is the department studying this problem and can we expect a statement on control measures or a comprehensive policy to be followed by his department?

Mr. Speaker: Order, please. I cannot recognize that this matter is of such urgency that the question should be answered at this time. The hon. member may wish to place it on the order paper.

FAILURE OF DRUG MANUFACTURERS TO SPECIFY CHILDREN'S DOSES

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question I would like to direct to the Minister of National Health and Welfare. In view of yesterday's statement by the head of the pediatrics department of the Ottawa Civic hospital that the health of children is endangered by the failure of drug manufacturers to specify the size of doses for them, would the minister say what the government proposes to do about this situation?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I shall be glad to take the question as notice.

BUSINESS OF THE HOUSE

ESTABLISHMENT OF RULES FOR DEALING WITH ESTIMATES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the government house leader with reference to our procedures. My question arises out of the fact that the program today includes dealing with estimates. What does the government or the government house leader intend to do about the order of the house which was passed at the last session calling for the establishment of a special committee to work out rules for dealing with estimates, in the light of our new provision of a 30 day limit?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, the short answer would be to make the necessary motion to set up such a committee. Perhaps I should explain that I have taken a little time to do this for the simple reason that in view of the heavy demands being made on committees now, with such a large number of them having so much work before them, and the fact that members of such a committee undoubtedly would wish to have a few weeks' time to observe the handling of estimates in committees before making their final recommendations as to what the procedure should be, I thought it would be better if we left this matter to a later stage in the session. I must say that this is not just my own conclusion; I discussed it with some other members of the house to get their opinion as to what would be the best procedure, and that seemed to be the consensus as to the best way of handling this matter.

Hon. Michael Starr (Ontario): Mr. Speaker, on this point—and this is not in the form of a question, as it is difficult for me to form a question on this point—in view of what the government house leader has said as to consideration of this matter later in the session; in view of the fact that the government today is introducing the estimates of certain departments for consideration, and the time spent on the departments now will be deducted from the 30 day limit, in order that we in the opposition and government members also, for that matter, might be able to contain ourselves to some degree on these various departments I think we should take steps now to establish some schedule on these departments.

Mr. McIlraith: Mr. Speaker, I shall be very glad to take the necessary steps to have the committee set up right away in view of what has been said.

EXTERNAL AFFAIRS

ACTIVITIES IN CANADA OF U.S. INTELLIGENCE AGENCY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct a question to the Secretary of State for External Affairs in connection with complaints to which I made reference the other day, that Canadian citizen Eerik Heine has had his reputation bandied about by the C.I.A. of the United States as having been a communist. I asked what action the government was taking to protect the good names of Canadians, and the Secretary of State for External Affairs said the matter was being taken up with the authorities in the United States. I ask him whether the strongest possible protest has been made to this most unjustifiable way of assassinating the reputation of a good Canadian.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the matter to which my right hon. friend directs his question this morning was also raised by him three days ago. I indicated then that we were discussing this matter with the United States. In this situation judicial proceedings are of course involved. I would share my right hon. friend's concern if the facts as they eventually appear warrant the conclusion which he has placed upon them. In any event, my right hon. friend may be assured that the matter is receiving our attention. I hope I shall be able some time later to give a definite answer with regard to another aspect of the question which he asked three days ago.

REPORTED CRITICISM OF NEW TYPE OF PASSPORT

On the orders of the day:

Mr. John Addison (York North): Mr. Speaker, I should also like to direct a question to the Secretary of State for External Affairs. Has he received any criticism in connection with the new type of Canadian passport now being issued by his department and, if so, is his department planning on making any changes?

Mr. Speaker: Order, please. I suggest to the hon. member that this does not appear to be a very urgent question and should be placed on the order paper.

[*Translation*]

VIET NAM—SPEECH BY UN SECRETARY GENERAL

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the hon. Secretary of State for External Affairs.

In view of the statement recently made in London by Mr. Thant, Secretary General of the United Nations, whereby the only real solution to the problem is the withdrawal of all foreign troops from Viet Nam, including those of the United States, Russia, China and others, is this position supported by the minister and the government?

Inquiries of the Ministry

Mr. Speaker: Order. As put by the hon. member, this question is of a general nature and out of order.

[*English*]

EXPO '67

REPORTED USE OF U.S. MADE MECHANICAL EQUIPMENT

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I have a question for the Minister of Trade and Commerce, who answers to matters concerning Expo '67. Have any representations been made to the minister to the effect that American made mechanical equipment is being dumped on the Canadian market and is used in Canadian pavilions at Expo '67 without consideration to fair evaluations of quality and market value?

Mr. Speaker: Order, please. The hon. member may wish to place the question on the order paper. In the meantime I am sure the minister has noted the hon. member's comments and representations.

Mr. Keays: On a point of order, Mr. Speaker. If I put it on the order paper possibly all the mechanical equipment will have been purchased before I receive an answer.

[*Translation*]

HOUSE OF COMMONS

POSSIBLE RESIGNATION OF QUEBEC CONSERVATIVE MEMBERS

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to refer to the section of the standing orders of the house which allows a member to put a question to another member about matters concerning the business of the house.

[*English*]

I should like to direct my question to the right hon. Leader of the Opposition. Will the right hon. gentleman inform the house if it is the intention of any other Quebec members of his party to resign their seats?

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I am sure the house would look forward with earnest and hopeful anticipation to the hon. gentleman himself leaving this place.

Mr. Speaker: Order, please. The question was out of order.

[Mr. Caouette.]

Mr. Choquette: I rise on a question of privilege, Mr. Speaker. I am sure the right hon. gentleman will leave the house before I do.

AGRICULTURE

REQUEST FOR STATEMENT WITH REGARD TO FARM SAFETY

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. In view of the fact that agriculture in Canada has become highly mechanized, can the minister make a progress report to the house with regard to his efforts in connection with farm safety?

Mr. Speaker: Order, please. The hon. member recognizes, I am sure, that this is not a question that can be asked now. It might be placed on the order paper.

Mr. Noble: I rise on a point of order, Mr. Speaker. I asked this question of the Minister of Agriculture about a month ago and he promised he would have a report to make to the house. I believe he must have something constructive to say now.

Mr. Speaker: Perhaps the minister has, but he might want to do it in some other way than by answering a question on orders of the day.

CONSUMER CREDIT

REQUEST FOR CONFERENCE ON CO-ORDINATION OF LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I, on behalf of a colleague who has been called out of the house, ask a question of the Minister of Finance, notice of which was sent to him? I shall, however, abbreviate it. In view of the report that one of the provincial treasurers in the west is concerned about the lack of co-ordination of consumer credit legislation in the various provinces, is consideration being given to the calling of a conference to try to co-ordinate this legislation as between the provincial and federal jurisdictions?

Hon. Mitchell Sharp (Minister of Finance): The provincial treasurer of Alberta has written to me suggesting that I consider inviting appropriate provincial ministers and their officials to meet with me later this year to discuss the subject of consumer credit and interest disclosure. Ministers from other provinces have also indicated they would be interested in such a meeting.

I have undertaken to give this suggestion the careful attention it deserves. Before we have such a meeting I wish to review the current federal and provincial legislation in this field, the question of jurisdiction that may be involved, and the reports and recommendations which have been made to governments on the subject.

This would include, the house will be interested to know, the important work undertaken in this field by the royal commission on the cost of borrowing money, cost of credit and related matters in the province of Nova Scotia; by the select committee of the Ontario legislature on consumer credit; by the special committee of the Manitoba legislature on consumer credit, as well as that of the special joint committee of the Senate and House of Commons on consumer credit. This review is under way, and I will be consulting further with the provinces on the question and timing of the proposed meeting.

AIR CANADA

WINNIPEG—REPORT OF INQUIRY RESPECTING MAINTENANCE OF BASE

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): I should like to ask the Minister of Transport a question, of which I more or less gave him notice earlier. I should like to ask the minister how close to completion is the job of translating the Thompson report, which has delayed its presentation for so long. This report concerns Winnipeg's aviation future.

Hon. J. W. Pickersgill (Minister of Transport): I apologize to the hon. gentleman, but this was one case when something that is almost automatic, was not. I failed to make the inquiry of the Privy Council office which I will have made today, and I will let the hon. gentleman know.

Hon. J. A. MacLean (Queens): I should like to direct a question to the Minister of Transport for clarification. Did he use the word "automatic" or "autocratic"?

Mr. Pickersgill: I do not believe, sir, they are synonymous.

An hon. Member: They are over there.

INDUSTRY

APPROVAL OF CANADA-U.S. AGREEMENT ON AUTOMOTIVE PRODUCTS

The house resumed consideration of the motion of Mr. Drury:

That it is expedient that the houses of parliament do approve the agreement concerning automotive products between the government of Canada and the government of the United States of America, signed on January 16th, 1965, and that this house do approve the same.

Mr. Speaker: When the house rose last night it had under consideration the question of the admissibility of an amendment proposed by the hon. member for Grey-Bruce (Mr. Winkler) and seconded by the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) which reads as follows:

That after the word "same" in line 4 there be added the following:

"provided that the said agreement may not be renewed in its present or in an amended form without the prior consent of parliament."

I indicated that I would consider the matter overnight, although I had expressed my views during the course of the arguments advanced by hon. members. Having considered the matter further I should like at this point to give a ruling on the proposed amendment. A moment ago I reminded hon. members of the terms of the amendment, which perhaps I should repeat:

That after the word "same" in line 4 there be added the following:

"provided that the said agreement may not be renewed in its present or in an amended form without the prior consent of parliament."

I expressed some doubts as to the legality of the amendment and invited hon. members to express their views on the procedural aspect of the amendment to the motion. The argument was advanced by the hon. member for Edmonton West that it should be within the right of parliament to impose by its vote the type of condition which is contained in the amendment.

I am in full agreement with the hon. member on this aspect of his argument. However, with respect I suggest that the proper procedure to achieve this aim is not by way of amendment to the resolution but rather by way of substantive motion, with due notice. I agree with the contention put forward by the Minister of Transport that this amendment is in fact a new proposition. In my view it goes beyond the very limited and narrow terms of the question.

I should point out at this moment that on many occasions in the past hon. members

have tried to introduce amendments to resolutions of this type, and found it extremely difficult to draft one that would be acceptable to the Chair. I know the hon. member for Edmonton West, the hon. member for Winnipeg North Centre and the hon. member for Grey-Bruce joined in an attempt to move this amendment and knew of the difficulty they faced.

An excellent precedent which reviews rather exhaustively the rules and precedents applicable to the present case may be found in *Votes and Proceedings* of the House of Commons for June 11, 1958. Mr. Speaker Michener, commenting on a proposed amendment to a motion for approval of the NORAD agreement between Canada and the United States, said:

• (11:50 a.m.)

If the amendment has the effect of denying the motion it is unnecessary and irrelevant because those members who wish to disapprove the agreement have only to vote against the motion as it stands.

If the amendment adds something to the motion in a positive way it is a declaration of principle in these terms, that it is advisable for the government to give consideration to the taking of such steps as are necessary to integrate these agreements within the structure of NATO. Assuming that the amendment and the motion were accepted you would have the agreement approved but you would have added to it a declaration of this independent principle which is not related to the motion nor is it necessary for the decision of the motion in question.

Further on Mr. Speaker Michener comments:

A motion clearly could be brought forward for the purposes of this amendment but it would have to be on notice and as an independent motion.

Mr. Speaker Michener then declared the amendment out of order, and I believe the reasons he invoked are applicable to the present amendment.

The proposed amendment is in the nature of a declaration of principle in that it proposes the adoption of a procedure relative to international agreements which would be a substantial departure from established practice. The hon. member for Winnipeg North Centre referred the Chair to citation 201 of Beauchesne's fourth edition at page 168. The citation reads in part as follows:

201. The object of an amendment may be to effect such an alteration in a question as will obtain the support of those who, without such alteration, must either vote against it or abstain from voting thereon, or to present to the house an alternative proposition either wholly or partially opposed to the original question. This may be affected by moving to omit all the words of the question after the first word, "That", and to substitute in their place other words of a different import. In that case the debate that follows is not restricted to the amendment, but includes the motives of the amendment and of the motion, both matters being under the consideration of the house as alternative propositions.

[Mr. Speaker.]

I understand, however, that this type of amendment, declaratory of a principle, does not apply to a resolution. As confirmed in Mr. Michener's ruling, May, Bourinot and Redlich are authorities for the proposition that the only motions upon which amendments declaratory of principle may be considered are motions for an address in reply to the speech from the throne, motions to go into committee of ways and means and supply and motions for the second reading of public bills. I believe that motions for third reading of public bills can also be amended in the way suggested in citation 201 of Beauchesne's fourth edition.

I should add that I have been unable to locate a single precedent where this type of amendment to a resolution was allowed, while there are a great many instances where similar amendments were ruled out of order for the reasons I have just outlined. It is therefore with regret that I must declare the amendment out of order.

Is the house ready for the question?

Mr. H. E. Gray (Essex West): Mr. Speaker, I should like to speak briefly in support of this resolution and to urge this house to support its adoption, in this way confirming the progress that has already been begun in the automobile industry since the tariff changes were put into effect last January.

A number of suggestions by certain opposition speakers in this debate were made last night, that somehow or other in bringing forward this treaty the government had made a decision which will have put the Canadian automobile industry under United States control. As has already been pointed out by one opposition speaker, the industry in question went out of Canadian ownership or control over a generation ago. To me it seems that the effect of this treaty is to make this particular industry act more in the interests of Canada than it has in the past.

Surely this is the result of arrangements which bring about increased production and increased employment in Canada. I believe the hon. member for Waterloo South (Mr. Saltsman) last night suggested that instead of making these arrangements as have been described, we should have considered in some way the taking of a step or the making of a

decision which would have created an entirely independent national Canadian automobile industry. It is interesting to note, Mr. Speaker, that in this suggestion he seemed to be in conflict with the argument put forth very clearly by the hon. member for Danforth (Mr. Scott), his party colleague, who pointed out in effect that the decision by the Canadian people not to take a step of this nature had been made many, many years ago.

The hon. member for Waterloo South made references to the situation in Sweden, Britain and Germany. However, it seems to me, Mr. Speaker, that the automobile industries in those countries reached their present status and acquired their present nature not basically as a result of government action, but as a result of the initiative of management and businessmen initially, and because of decisions by consumers to accept the models produced by firms in those countries even though there was competition from other makes of cars from outside those countries.

Mr. Douglas: Is the hon. member aware that the Volkswagen company was a wholly owned government company?

Mr. Gray: The Volkswagen company started out being owned wholly by the government in order to provide employment for people who had been working in those factories by producing these cars, where previously there had been produced only various types of war materials. The German government, as I understand, at the present time has begun divesting itself of the ownership of that concern.

Mr. Douglas: The government started it.

Mr. Gray: Yes, but the continued prosperity of the company was due to the design of the product, the initiative of management and the acceptance of consumers. I think the free enterprising Chancellor of Germany, Dr. Erhard, would be surprised at the suggestion that he would have kept the Volkswagen in production if there had not been market acceptance for it.

Sweden has no limitations of any kind on imports of parts and cars. Swedish industry must meet competition from all types of automotive products.

The point I am trying to make, Mr. Speaker, is that rather than lessening the benefits to Canada, the aim of this treaty is to increase benefits through increasing production and employment for Canada. I suggest, Mr. Speaker, that the evidence to date indicates that we have made very substantial progress in meeting this aim of the treaty. Reference has already been made to the fact that the production of cars and trucks has increased by over 350,000 units in the past three years; that production of automotive parts, comparing only 11 months of 1963 with 11 months in 1965, has increased by some $230 million.

These figures help to destroy the argument of the hon. member for Oxford (Mr. Nesbitt), who suggested that two of the major automobile firms in Canada, Chrysler and Ford, were importing all their parts from the United States as a result of this treaty.

Mr. Nesbitt: I did not say all. I said most.

Mr. Gray: I thought you said all.

Mr. Nesbitt: You should read *Hansard*.

• (12:00 noon)

Mr. Gray: Even if I would accept the hon. member's interjection that what he had intended to say was that they were importing most of their parts, I suggest this would not be possible because of the content requirements included in the automotive agreement. The very fact that the production of parts has increased so substantially in Canada demonstrates the weakness of suggestions that the increased production in the vast Chrysler and Ford plants in Canada arises merely from assembly operations.

We also note the substantial increase in employment in both the automobile manufacturing industry and in the automotive parts manufacturing industry. If we compare the increase which took place between 1963 and 1965—I am speaking of average monthly employment in the manufacturing field—from 57,000 to over 76,000, it seems to me that even taking into account the suggestion by the hon. member for Wellington South, the spokesman for the official opposition, based on one or two isolated instances of lay-offs, we must all reach the conclusion that this vastly increased range of employment could not have taken place if those assertions had been correct.

I invite hon. members to look at the situation in the city of Windsor. In 1962 the employment index was 72.1 upon a base of 100 in 1949, meaning that 32,128 people were employed in industry. I am not referring to the automotive industry alone but to employment in industry generally in the area though it is, of course, well known to all members of

the house that the automotive industry plays a most important part in the economy of the Windsor area. By December, 1965, the employment index had risen to 105.7 with more than 47,600 people on the job. I do not intend by going into detail to remind the house which government was in office in 1962. I think it is obvious that very significant changes have taken place not only as a result of the automotive pact itself and its predecessor, the initial export incentive program of the present government, but also because of the area development program introduced by the present administration.

Take one example of a major Windsor industrial firm, the Chrysler Corporation. According to reports in the Windsor *Star* this undertaking has more than doubled in size, production and the amount of employment provided since 1962. It is at present employing more than 11,500 people according to the press report to which I referred and it was recently announced that further expansion is expected to add at least another 1,500 jobs to that figure.

One of my hon. friends has just referred me to page 4770 of *Hansard* where hon. members may find the official report of what was said by the hon. member for Oxford (Mr. Nesbitt). He is reported as having said that the Chrysler Corporation and, to a lesser degree, the Ford Motor Company, have imported all their auto parts from their wholly owned subsidiaries in the United States. If the *Hansard* reporter did not get what was said, the hon. member's quarrel is with him, not with me. I think hon. members are already aware of the investment of over $50 million in new and improved plant and equipment by the Ford Motor Company in Windsor.

Mr. Starr: Would the hon. member permit a question at this point?

Mr. Gray: I would be very happy to accept questions from any hon. member once I have completed my remarks, if there is time. I do not think they will be too extended.

I think the house has already been made aware of the new General Motors trim plant in Windsor which it is expected will employ some 1,700 workers when in full operation. This expansion also involves independent parts manufacturers in Windsor such as Kelsey Steel. According to records kept by the Department of Industry, since this automotive expansion program has been in effect there is official knowledge of six new plants and 28 expansion programs in the auto industry in the Windsor area.

Reference has been made to the effect of this pact on our balance of payments situation. In 1963 exports of motor parts from Canada amounted to only $81.3 million. Had this figure continued at the same level it is apparent that the deficit today would be something like $871.9 million rather than $687.1 million.

It is clear that the increased export opportunities, indeed, the actual increase in exports made possible by this treaty, have helped in controlling the balance of payments deficit which would have been much higher in the absence of the agreement. The trend is such that in future, as can already be seen, this deficit will be vastly reduced.

In any event it seems to me, contrary to what was suggested by some speakers last night, that the main test of the agreement is not the balance of payments situation but its effect on production and employment in Canada. Already the treaty has had a positive beneficial effect in Canada not only upon the automotive industry but upon the economy in general.

We should note too that one of our most important aims is to give the Canadian automotive industry access to the vast United States market which, because of its larger population, obviously affords much greater opportunity than is available in Canada. If we consider this objective we find we are already making substantial progress. Exports of automobiles and parts have increased from a value of $81.3 million to over $265 million in the current year, an increase of more than 226 per cent if my arithmetic is correct.

This helps to answer the contention which was put forward last night that the growth of production and employment in the industry is due only to the expansion of the Canadian market. The impressive increase in exports demonstrates that our Canadian parts industry too is able to sell to the United States market and I am confident that the initiative and ability of our Canadian parts manufacturers, with the support of the Department of Industry, will lead to further expansion of their present sales in this market.

Some criticism was advanced last evening concerning the manner in which the tariff changes made necessary by the agreement were put into effect. Members complained that the changes in the tariff rates were made by order in council without reference to

parliament. I suggest that this order in council was put into effect under powers which had already been given to the executive by parliament when it passed the Customs Act giving the administration power to vary tariffs and schedules without reference to parliament. In other words, the government was using a power which parliament had already given to it to make changes of this type.

I would remind hon. members opposite that when the previous government put into effect its extremely limited and scarcely effective program involving the import of transmission parts it did so by order in council without any reference to parliament beyond the tabling of the order. It is obvious that the present government was free to make these tariff changes by virtue of the power already given to it by parliament in order to permit the expansion for which provision was made in the first export incentive plan to continue without the interruption which would have taken place had there not been this ability to maintain continuity between the first plan and the second plan.

• (12:10 p.m.)

Another important aim of this treaty is to give Canadian consumers the opportunity to purchase cars at prices reasonably similar to those available to their counterparts in the United States. I think it was said right at the beginning that this result was something that could be expected over a period of years, but it is very encouraging to note that already there have been decreases in the prices of cars to Canadians which are such that, according to one suggestion, if these decreases are totalled they approximately equal the amount of duties which the government supposedly is not collecting from the automobile companies because of this treaty arrangement.

However, I suggest that basically jobs are just as important or more important than prices. Lower prices do not mean too much if people do not have the money in their pockets to afford them. Reference was made to the 80,000 cars being manufactured by Chrysler in Windsor to be sold to the United States. Let us not forget that there are people working today to manufacture those cars who were not working several years ago when production and employment by Chrysler at Windsor were a lot lower than what they are today because of this and other programs of the government.

Mr. Starr: What other programs?

Mr. Gray: I am referring to the area development program which has helped bring thousands of jobs, a number of new plants and the expansion of others to the Windsor and other areas of the country. According to information that is publicly available, in Windsor alone the Ford Motor Company is making fresh investments of $50 million in new plant and equipment.

Frankly, I was rather surprised to hear speakers from the New Democratic Party calling for an immediate removal of the tariffs in a way that would permit individual consumers to drive over to Buffalo or Detroit, buy new cars there and bring them back without reference to existing tariff requirements. I suggest that if that step had been taken before the Canadian industry had been given a reasonable opportunity to readjust itself, to rationalize its production, to bring its costs in line with its American competitors, the basic effect would be to throw some 80,000 Canadian auto workers out of jobs.

At the present time, because of the way this treaty and the surrounding arrangements have been created, Canadian plants and workers continue to have privileged access to the Canadian market, with a new access to the American market that they never had previously. An N.D.P. spokesman said last night that the removal of tariffs for individual purchases at this time would be the quickest way to protect the Canadian consumer. I suggest that if that were done at this time it would be the quickest way to destroy thousands of jobs.

Mr. Scott (Danforth): I hope the hon. member does not mean to misrepresent what I said. I indicated that if the auto companies do not pass on the savings to the public the quickest way to force them to do so would be to reduce the tariff on individual purchases.

Mr. Gray: I am glad of the interjection by the hon. member for Danforth (Mr. Scott) because it reinforces the point I was about to make, namely, that the removal of tariffs is certainly an ultimate weapon to be used by the government when in its opinion parity of costs of production has been reached between American and Canadian cars but without reasonable parity of prices being achieved. Obviously this would be a step to be taken not immediately but after a reasonable time has been given for the necessary adjustments to be made in Canadian production.

The hon. member for Edmonton West (Mr. Lambert) asked a very important question

about the value of the auto parts agreement to the west. I think I should remind him, his colleagues from the west and the people of the west, that it has been estimated that at least one job in every seven in this country is linked in some way to the automotive industry.

Mr. Lambert: You can link all sorts of things.

Mr. Gray: The hon. member interjects that you can link all sorts of things. I do not know what need we would have for our chemical industry, our steel and iron industry, our oil industry and even our forest industry to the extent that we have them today without the requirements of the automotive industry. I doubt that there would be the markets there are today in Canada for Alberta's oil, wheat and other products without the demand created not only by the Canadian automotive industry directly but by the incomes generated by the workers employed in it and their families.

Mr. Lambert: At our expense.

Mr. Gray: I suggest, Mr. Speaker, that there are too many types of separatist comments coming from all corners of the country today and I would have hoped a more constructive approach would have been taken by this leading spokesman for the west, one that could not be construed as a form of western separatism.

This treaty has a more direct benefit to ridings such as my own, that of the hon. member for Essex East (Mr. Martin), that of the hon. member for Ontario (Mr. Starr)—

Mr. Starr: Don't include me. Just keep it to yourselves.

Mr. Gray: If the hon. member for Ontario is not happy with the benefits brought to Oshawa as a result of the expanded production and employment, I am sure his constituents will be surprised and disappointed.

Mr. Starr: We have always had them.

Mr. Gray: Even before prices are at a level comparable with those which American consumers pay, this treaty is something of definite advantage to all people in Canada at this time because of the increased opportunities for production in many related industries and the increased buying power created by the increased incomes earned by people in these industries.

[Mr. Gray.]

In conclusion let me suggest that the evidence is very clear that the trend as we have seen it so far is impressive and seems to indicate very positive benefits as a result of this treaty. Reference has been made to dislocation but I think the evidence before us, including the evidence produced by opposition speakers, indicates it has been slight in comparison with the sizeable number of firms in the industry, both the parts industry and the automotive industry itself, the sizeable number of people who were working when this pact came into existence and those who have been added to the industry work force as a result of the increased opportunities created by it.

The government has already taken steps to assist, where necessary, workers in the automotive industry and individual firms as well. But in a sense what has been done up to now is experimental. We are trying things that have never been attempted previously in Canada. We are engaged in this concept of rationalizing an entire industry, of trying to make it more efficient with the support and encouragement of a specific government policy.

I think it is clear that if government policy is attempting to achieve this type of result then the government must be prepared, where necessary, to add to and to extend existing measures of assistance to workers and firms. I think it is also clear that the major automobile manufacturers, who have been given greater opportunities and greater potential benefits because of this treaty, have a special responsibility to their workers and to the Canadian people in general, a responsibility to pass on to the Canadian consumer as quickly as possible the benefits of this opportunity for rationalization of the Canadian industry.

They have a responsibility to adopt attitudes which in my opinion some elements of the industry have not adopted to the extent that they should have, attitudes whereby they are willing to keep government and workers more fully informed, as far in advance as possible, of plans which may have an effect on workers and the community so that there may be time to work out readjustment programs where necessary. If existing measures are shown to hamper or not permit a proper opportunity for Canadian firms to compete, to meet production requirements, to fulfil opportunities in Canada and in the American market, then the government must be prepared to take further steps.

• (12:20 p.m.)

The same applies if trends of dislocation accelerate beyond what they seem to be today, trends which so far have been very slight in comparison to the not only vastly expanded opportunities for employment but also actual increases in jobs which the evidence before us demonstrates. Taking into account all aspects of the treaty itself, including the definite increase in production and employment in the automotive industry in Canada, I think the evidence is such that this house should support the resolution before us. I urge the house to join with supporters of the government and others and vote in favour of this resolution so that with confirmation of the treaty by the House of Commons we may hope for even more by way of expanded opportunities for production and employment in the automotive industry and for all secondary industry in Canada.

Mr. Starr: Mr. Speaker, I have a question for the hon. member for Essex West which has to do with what he said in the fictitious discourse to which we have listened for the last number of minutes. He compared the unemployment figures of 1962 and 1963 with the figures at the present time. I realize there has been an increase through a normal advance in production. Can he tell me what the increase in the figures for employment is between January, 1965, when this treaty came into effect, and the present time in addition to what would have been the normal increase in employment?

Mr. Gray: I do not have the full figures available, Mr. Speaker, but according to partial information made available to the Department of Industry I understand that at least 10,000 new jobs can be attributed directly to new plants and expansions of which the Department of Industry has been informed. This is only partial information because I understand there is no obligation on the firms to give complete and detailed information in every case. I am trying, if you will pardon the expression, to be conservative in the figures I am putting forward. It may be that when the minister concludes the debate he will be able to supplement my partial information.

Mr. Starr: After that strange and more fictitious answer may I ask this question? Primarily the treaty was for the purpose of cutting down the automobile industry trade deficit with the United States which stood at some $520 million during the month of January, 1965. Can he explain why the deficit has increased rather than decreased and will the objective of cutting it in half be reached by the end of 1968?

Mr. Gray: First of all, I take issue with my hon. friend when he suggests that the primary aim of the treaty was to cut down the deficit.

Mr. Starr: Of course it was.

Mr. Gray: The primary aim was to increase production and employment in Canada and increase the number of jobs—

Mr. Starr: There is some more fiction.

Mr. Gray: —available to Canadians. If my hon. friends in the official opposition would be as interested in job opportunities for human beings as they are in dollar signs—

Mr. Starr: The only reason there are jobs available now is that the former government put into effect policies which brought this about. The hon. member admitted that the upward trend of employment started in 1961 when you were not even in office.

Mr. Gray: I will say to my hon. friend that I certainly did not intend to make remarks which would create bitter controversy.

Mr. Starr: Then why do you not speak the truth?

Mr. Gray: I think, Mr. Speaker, that my hon. friend is not expressing himself in a way which is worthy of the position he held and holds in this house.

Mr. Starr: But I always tell the truth in this house.

Mr. Gray: I am attempting to tell the truth to no lesser extent myself. I am sure he will have an opportunity to make a speech if he wishes. In answer to my friend, I should like to point out that in so far as the Windsor area is concerned jobs certainly did not increase in 1961, they dropped in 1962 and began rising only after the present government took office.

Mr. Starr: After devaluation of the dollar.

Mr. Gray: Employment in Windsor dropped the month after devaluation of the dollar came into effect.

Mr. Starr: How can you sleep at night?

Mr. Gray: When I look at the facts in the city of Windsor as a result of the policy of

the present government in contrast to the situation which existed before April, 1963, I am sure I sleep not only as sound as my hon. friend but more soundly.

Mr. Starr: Yes, because of the devaluation to 92½ cents.

Mr. Gray: In answer to my hon. friend's question, if the devaluation of the dollar had come about as a planned measure to help the economy of this country he and his friends would be entitled to all the credit they are trying to assume for themselves, but unfortunately it was a panic measure in so far as the balance of payments was concerned.

Mr. Danforth: Get away from partisan politics and get down to facts.

Mr. Gray: I am trying to be non-partisan and deal with facts. If hon. members did not ask the questions which require these answers they would not be getting them. In respect of the balance of payments the hon. member asked if I thought the deficit was increasing. I think this is an effect of the removal of the duties because of the greater opportunities to bring things in over the short run. I think this comes about as part of the short term effects of the program of rationalization. Without the treaty I think you would have seen this very great increase in the deficit in any event. I regret that my hon. friend should think I am trying to be partisan—

Mr. Starr: I said you were fictitious.

Mr. Gray: You said a few other things. If I wished to attempt to bring this debate down to a level which I think should not exist in this house, I could take grave issue with some of the terms hon. members opposite have used. Had it not been for this treaty, I think the figures in respect of the deficit between exports and imports in the automobile industry would have been greater than they are today. I am confident this gap will continue to narrow, and certainly the rate of increase will not be what it was before the treaty. I think the hon. member for Oxford has a question.

Mr. Nesbitt: The hon. member for Essex West in his very interesting remarks has told us what a great success the treaty has been and that it has achieved its intended objectives. At the end of his remarks I believe he said it was experimental and that we may have to take further steps. I am wondering what objection the hon. member would have to this treaty being sent to an appropriate committee such as the committee on commerce and industry in order that those persons who have experienced some difficulty in respect of this treaty would have an opportunity to make presentations to the government and other members of the house so that improvements could be made if necessary. Would the hon. member tell us why the government flatly refuses—he obviously must have the ear of the minister—to allow this treaty to go before a committee where members of labour organizations who feel aggrieved and members of the Canadian auto parts industry could present their case?

Mr. Gray: First of all, I should like to correct the suggestion of my hon. friend. I did not say it had as yet met all its objectives. I said it is making very substantial progress toward meeting its objectives. I do not think I would take issue with anyone who said the time has not yet come that every one of these objectives in the treaty to which I and others have referred has been met in its entirety.

• (12:30 p.m.)

When I used the word "experimental" I was referring specifically to the measures put into effect by this government rather than to the treaty itself, to assist in the readjustment where necessary of auto parts firms and workers who may require transitional assistance.

The point I was attempting to make was that so far the predictions that adjustments would be relatively slight in comparison with the total range of the industry fortunately have turned out to be correct. It is interesting to note that in the criticisms put forward by the official opposition, and they are only doing their job in this regard and I do not object to that, they were only able to refer to two definite cases, the Ingersoll firm and another firm at Beaverton.

Mr. Nesbitt: I only mentioned those as examples. I could have mentioned quite a few more.

Mr. Gray: It would have added quite a bit of substance to their criticisms had hon. members come forward with names and details, including facts and figures as to the alleged harm being done to firms and employees. That was not done and I suggest to my hon. friend that it could not be done except in a few cases because the over-all

effects in all phases of the industry have been good.

Mr. Nesbitt: That is what you say.

Mr. Gray: We have this House of Commons, the government and the opposition in order that we can put forward our different points of view. The hon. member has made reference to a committee. I feel flattered that he thinks I have the ear of the minister. I will ask the minister to give careful consideration to this suggestion put forward by the hon. member for Oxford. I must leave it to the minister to state any official point of view in this regard.

At this point, after taking into account the debate on the amendment moved by one of the opposition parties to a supply motion last year, after taking into account the opportunities for debate we are now having in this house, and after taking into account the full opportunity that has been and will be given to individual firms and their trade associations to come forward with their representations and discuss them with the minister, his colleagues and individual members of this house on all sides, I think there has been ample opportunity for discussion and that the need for a study to which the hon. member referred does not in my opinion have the priority that he sought to assign to it.

Mr. Nesbitt: Does the hon. member apply that argument to functioning of all committees? If he does there is no purpose in having any committee meetings.

Mr. Gray: I do not accept that statement. We are dealing here with a particular case and in regard to this situation I believe we have followed an appropriate course. It may be that as time passes we will want to consider the progress made under this treaty. At that time we may seek an opportunity under the new committee structure to look into the matter. At this time I believe we have had reasonable opportunity for discussion. Certainly so far as I am concerned the industry, either from the point of view of individual firms or trade organizations, has had full access to the minister and individual members to put forward their positions. As far as I am aware they will continue to do so, and I am certainly willing to assist them in this regard in so far as I am able to as a private member.

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, for the past few minutes, I have been listening to questions and answers popping up from both sides of the house, particularly intent upon weighing the administration of the present government and that of the government prior to 1963.

I hardly think that time should be wasted on judging governments while we have under consideration such an important item as a new agreement. If the government prior to 1963 emphasized exports and the present government wants to emphasize employment, I think quite objectively that it is ill-advised in both instances to champion such tendencies exclusively, because the economic field, whether in exports or in employment, is not solely influenced by the Canadian government but also by foreign and provincial factors that weigh upon economic patterns.

There is before the house a proposed resolution moved by the Minister of Industry and Defence Production (Mr. Drury) as follows:

> That it is expedient that the houses of parliament do approve the agreement concerning automotive products between the government of Canada and the government of the United States of America, signed on January 16, 1965, and that this house do approve the same.

In the text of the agreement distributed by the Department of Industry, we read that the agreement is entitled: Agreement concerning Automotive Products between the Government of Canada and the Government of the United States of America.

Well, Mr. Speaker, this agreement is a very important event. I congratulate the government as well as the officials of the various departments who have shared in the formulation and the completion of such an agreement.

This is an important event since it concerns our relationship with the United States and our foreign trade. As concerns the United States, we have reached the point of self-awareness. Canada, with its small outlet of 20 million people, next to a giant with 200 million inhabitants, with geographic and economic conditions at times different, is at the point where it is establishing a closer and more profitable relationship. We have improved our economic problems, our commercial relationship with that country, and the areas of production and employment within Canada.

Thus, this agreement is a loyal gesture and I hope it will constitute a precedent, an open door to further agreements in this direction.

Since yesterday we have been hearing a lot of criticism, that is the members' role. I often

criticize myself and I have some criticism to offer this morning. We are at the experiment stage with this agreement. It will have to be reviewed in six months. The agreement itself, in section 4, subsection 3, I think, provides for frequent consultations between the two governments.

Therefore, this is an experiment which should be tried with an open mind. It is worth trying to make it work by every possible means. Yet, the agreement raises very delicate questions. Our economic and trade position with the United States—our trade deficit with the United States is noted —is what we must try to improve constantly.

• (12:40 p.m.)

The hon. member for Essex West (Mr. Gray) stated that the deficit with the United States with regard to automotive products totalled $687 million. That is a fantastic amount and this agreement tries, of course, to improve that aspect of the trade deficit and to make the situation better.

There is also a new spirit between our two countries. The American parent companies have issued directives to their Canadian subsidiaries. On the other hand, the Canadian subsidiaries of those American companies seem to have complied with the directives issued to them by the Minister of Trade and Commerce (Mr. Winters). It might be appropriate during this debate or some time soon for the Minister of Trade and Commerce to inform us about the reactions of the Canadian subsidiaries of American companies to the 4,000 letters which were sent to them, so that we might be in a position to judge if those companies, whose parent companies are outside Canada, are willing to see the situation in the same light as the Canadian government, the Canadian people, in short if they want to co-operate in the development of Canada, together with the other sectors of the Canadian economy, in the fields of trade, industry, investment and development.

This agreement also has some influence on our industrial production, our exports and our imports. It also has repercussions in the field of automation, on the qualifications of labour, its mobility, on the production of automobiles in Canada. The government and more Canadians should take an interest in the production of automobiles in Canada and set up Canadian firms with the help of the government and the support of either the Industrial Development Bank or that new federal body, namely the Canadian Development Corporation, whose establishment we have been expecting for a year or two.

I hope very much that the government or the responsible minister will introduce shortly in the house a bill dealing with the creation of that development corporation—and that is urgent—to enable Canadians to take over their own economic development.

The agreement aims at allowing the manufacturers to engage in the automobile business without custom duties between Canada and United States, to increase employment —there is talk of 60,000 new jobs—to reduce production costs, to improve the efficiency and productivity of the Canadian plants and also to reduce our $600 million deficit with regard to the automobile trade.

Those are the five objectives covered by this international agreement on automotive products between Canada and United States. These are very commendable aims which we must support so that positive results will be achieved in this regard.

Statistics show that exports to the United States of Canadian-made cars were as follows: 1962, 1,136 units; 1963, 3,504 units; 1964, 19,094 units and, in 1965, from January to October inclusive, 29,202 units. The total value of cars exported from Canada to the United States from January 1965 to November 1965 (these are the latest figures available on exports, in March 1966) amounted to $68,800,000. As to cars, of similar models which are best sellers, the price of the Canadian models, in 1965, was on the average 8 per cent higher while in 1966, the difference ranged from 3 to 5 per cent.

It can be seen that, inthe autmotive parts industry between Canada and the U.S., a very significant trading area is involved which is full of promises and destined to a growing economic future. This agreement initiated by Canada and the U.S. and subject to frequent consultations, of course, will likely bring results and be advantageous to both countries.

We know, of course, that this agreement was ratified by order in council passed in January 1965, while its terms are submitted to us for approval in May 1966. This means in fact an interval of a year and a half. This delay in my opinion is too long. We notice that in the United States, the matter was submitted much more promptly to the representatives of the people for consideration and approval. I understand, as the hon. member for Essex West (Mr. Gray) pointed out,

that there is no control and that the federal government is authorized to pass such an order. I am not discussing the legal aspect of the order in council, but I am of the opinion that the government took too long in submitting this agreement to the house. I believe that, in future, when similar agreements are signed with the United States or other countries, the house should be informed as soon as possible of the provisions of these agreements, so that we may issue the necessary warnings, bring about corrective measures and so that Canadians may bring forward their opinions in order that there may not be too much time between the formulation and the implementation of agreements as sound as this one and that corrections made be included in these important trade agreements.

Several voices have been heard in Canada with respect to this international agreement. For instance, the production director of the General Motors plant in Ste. Therese is quite enthusiastic about it. Indeed, as reported in the newspaper *La Presse*, of Wednesday May 4, 1966, he stated:

Next year, General Motors will double its production at its Ste. Therese plant and will export a part thereof to the United States.

• (12:50 p.m.)

This was the statement made to the representative of *La Presse* by Mr. D. C. Lowe, production director of the plant.

Also, the president of the Ford Motor Company of Canada, Mr. Scott, said that the agreement restricting free trade between Canada and the United States is a bold experiment in industrial policy, justified by very plain economic considerations.

We were also informed of a press release made by the Minister of Industry dated December 29, 1965 and containing very interesting information on automotive production and trade. I quote:

As a result of the assistance given by the department, 187 companies announced the expansion of their plants or the acquisition of new facilities. Of these companies, 71 have stated that the expansion will increase the number of workers by about 15,000 and 91 that the new capital investments amount to almost $402 million.

During the first nine months of 1965, Canadian exports of automobiles and automotive parts reached $220.8 million, that is 83 per cent more than the corresponding figure for 1964. Exports to the United States reached $123.9 million for the same period in 1965, double the value of the corresponding exports in 1964. Imports from the United States rose by 18 per cent, from $427.4 million in the first seven months of 1964 to $541 million for the corresponding period this year.

This program resulted in an appreciable narrowing of the price differential between Canadian and United States prices for comparable models of cars.

In August, the government established the Adjustment Assistance Board, to provide loans for auto parts manufacturers and transitional assistance to workers in the industry.

This, Mr. Speaker, is in my opinion a most eloquent press release, which for several months has allowed us to hope for important and useful results from the agreement recently presented in the house.

Several Canadian and American economists obviously see this agreement as a modern counterpart of free trade. This is, of course, the present trend in world trade and each country must study the possibility of more lively commercial exchanges with one or more countries, always considering its own interests.

In importing and exporting commodities and in abolishing trade barriers, it should be considered that too great an influx of foreign products would, for example, be harmful to Canadian industry, or the good results expected may be wiped out by bad consequences in other sectors of the economy.

For a number of years, say since 1955, international organizations have been established throughout the world, for example the European Common Market, the Group of Seven, the Common Market of Latin America—and there is talk of a Pacific, south Asian common market.

At all events, it is obvious that governments, businessmen and economists intend to consider seriously the question of setting up a policy of free trade between various countries.

The agreement under consideration follows this course. However, I would ask the minister and the government to be very careful. I was indeed happy to notice that section 4 of the agreement provides for frequent consultations, during this pilot experiment, if I may call it that, which will perhaps be the first of a series of agreements with the United States and other countries.

Hence, it is important that the Canadian government should keep a close watch on certain areas of the production of automotive parts and other products, if manufacturers settle in Canada. This agreement will have to be revised if necessary, in order to protect, in the first place and very efficiently, the Canadian manufacturer and then favour substantially the Canadian consumer.

Consideration should not be given to the manufacturer only; the latter and the consumer are not so far apart. Both must be taken into account, for the same reasons, in all agreements, in all provisions. The common good, the general welfare should be considered.

That is why, on the whole, it is the interest of the Canadian consumer that has to be taken into consideration in the automotive field. We must wait some time to see whether the Canadian consumer, the worker, the farmer, the white collar worker, the small wage earner, who needs an automobile to go to work or for recreation, will benefit by a reduction in the prices of automobiles.

There is some talk about it now, but there was a lot more talk about it during the last election campaign.

But let us put aside all partisan or fanatic considerations. This is quite a delicate economic matter; it is a pilot experiment. Personally, I am going to wait for the minister and the government to have these consultations and all the relevant material made available to us from one period to another, to see what is good or dangerous in the provisions of this agreement.

At the present time, Mr. Speaker, we know that Canada produces 4 per cent and consumes 7.5 per cent of the North American automobile production. In 1966, Canada should produce 12 per cent. In the forthcoming months, we are going to watch very carefully the effects of this agreement.

Of course, voices were heard which means that Canada is a democratic country; sometimes these express controversial opinions because there has not been praise only and a general, categorical and spontaneous acceptance of this initiative of the Canadian government. Some people have already mentioned its ill effects. For instance, the Canadian Labour Congress, in the brief it presented this year to the federal government, mentioned and regretted the fact that the agreement between Canada and the United States concerning free trade of automotive parts had not brought about a decrease in the price of cars.

• (1:00 p.m.)

This organization represents a good part of the Canadian workers, precisely that class of citizens to whom I referred a while ago. They reflect in a more direct way the general welfare and common good and they deserve, as consumers, the ultimate and main consideration.

We also have competent journalists who made criticisms, following the decision of the Canadian government to be a party to such an agreement. And I quote, among others, who said in a Clément Brown editorial dated February 10:

> One year later, it is found that Canadian exports of cars went up indeed, but that, on the other hand, imports of American cars greatly exceeded our exports. There was, it is true, an increase of some $200 million in our exports, but there was also an increase of $500 million in imports of American cars.
>
> If you do not call that being taken in, then, facts no longer mean anything.

Mr. Speaker, this is one point of view which should be taken into account by the government and the minister.

The effects of imports and exports, those figures we will be getting in the months to come, will speak highly of the desirability for Canada of such an agreement.

Also, when Canada and the United States spoke about consulting each other and taking a decision along the live of today's agreement, some countries apparently expressed concern and made protests. In his final statement, the minister may be in a position to tell us about the concern of some foreign countries or about the assurance Canada and the United States gave to those other countries which are members of international organizations to which Canada belongs such as GATT.

I note, however, that section 3 of the agreement should allay the concern of other countries, since it reads as follows:

> The commitments taken by the two Governments under this agreement prevent neither one nor the other from doing anything provided for under the obligations undertaken in Part II of the General Agreement on Tariffs and Trade.

Mr. Speaker, you are doubtless wondering why I have again risen to participate in this debate. I do not claim to be an expert on automobiles, far from it; I can just barely drive my own car adequately. On the other hand, I am most interested in the interventions of several members on the question, as well as the efforts of the hon. member for Brome-Missisquoi (Mr. Grafftey) to convince us that automobile safety should be increased. If I have taken part in the discussion, it is because I believe that the members have a duty to speak on the main items of legislation, and this is one of them, because this pilot experiment will probably bring

forth many other agreements which will help Canada along on the road to progress.

Therefore, I believe that every member should state his views on this question, because such an agreement may have some bearing on the industries in his own riding.

For instance, in the wonderful riding of Sherbrooke—you may possibly believe it is somewhat like in Hong Kong—all sorts of problems seem to crop up. Obviously, it is a model constituency from the viewpoints of industry, its bilingual character and the mutual understanding which exists in the industrial areas, but this agreement does not provide adequate protection in its regulations for the producers of original parts for the automobile industry.

I would like to bring to the attention of the minister a complaint originating with a Sherbrooke concern, the Bemis Associates of Canada Limited, manufacturers of vinyl covered fabrics, which is not considered as a supplier of original parts for the automobile industry. This company, as a result, does not meet the eligibility requirements under the regulations for assistance to the automotive products industry.

I would ask the hon. minister to consider the point of view of the Bemis and other companies which often face the same problem, and to extend the agreement so as to include the suppliers of materials to the automobile industry. These Canadian companies, like many others, are interested in going ahead with their industrial expansion and are willing to support the Canadian government in all good projects which, like this one, may bring about certain clashes which we hope to be temporary. We ask the minister to bring remedial measures in all fields and particularly those which could be affected by such a trade agreement between Canada and the United States.

[*English*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I am very much interested in this topic for a number of reasons. I have been listening to the debate and reading what was said yesterday by hon. members who spoke then. The ground has been well covered and I do not wish to repeat some of the arguments that have been used already. I noticed that the hon. member for Wellington South (Mr. Hales), the hon. member for Danforth (Mr. Scott), the hon. member for Oxford (Mr. Nesbitt) and the hon. member for Edmonton West (Mr. Lambert) put forward quite a number of very good arguments yesterday in connection with this very important matter. We have heard today from those who have been defending the agreement and attempting to indicate how useful it has been for Canada.

When the matter was raised in the house a year ago a great deal of emphasis was placed on the fact that our balance of payments situation, particularly as it affected the automotive industry, would be improved by the operation of this plan. However, we have had the evidence presented to us yesterday by the hon. member for Wellington South that this has not been the case. He pointed out that the net automotive trade deficit with the United States rose from $578 million in 1964 to $674 million in 1965, an increase of almost $100 million. The great fanfare that we listened to a year ago to the effect that the balance of payments situation would be improved was just propaganda and not based on an accurate assessment of exactly what was going to happen.

I have looked at the index for *Hansard* for 1965 and just as an indication of how important the automotive industry is to Canada, as reflected by questions and debate in the house, you will find that the references in the index to the automotive industry in various forms cover one and a half pages. It is a vitally important subject, not only to those in central and eastern Canada who are engaged in the manufacture of automobiles but to those living in other parts of Canada who are consumers and pay the price for automobiles. Hope was held out to us a year ago that there would be a reduction in the price of cars as a result of this agreement but that hope has not been realized. We have not seen the benefit of that yet.

There was a great deal of talk about increased employment, but offsetting that has been a decrease in employment depending on the segment of the automotive industry at which you are looking. As was pointed out in the debate yesterday, you may have an increase in employment on the assembly line and a decrease in employment in the parts manufacturing area. All told, therefore, it is an uncertain course that has been pursued by the government.

One of the main complaints from this side of the house, and one with which I want to deal, is the method by which this agreement has been brought before parliament. A year ago we were advised that the government had signed an agreement with the United States. We were told there would be an

opportunity for parliament to consider the matter but that opportunity was not brought forward by the government; it was seized by the opposition.

• (1:10 p.m.)

The leader of the New Democratic Party moved an amendment to a supply motion in order to deal with the subject, and questions, of course, where raised from time to time from this side of the house. But the actual agreement was not brought forward to us for ratification. Yet it is strange that on May 10 of 1965 the Minister of Industry said, as found on page 1126 of *Hansard*:

> The measures on the Canadian side were brought into operation by order in council in January of this year. The agreement itself will come into full operation on both sides of the border as soon as Congress has enacted duty free entry into the United States and the resolution presented to parliament has been approved by the Canadian parliament.

That was in May, 1965. This is now May, 1966. One year later the resolution is placed before us. As recorded on page 1125 the minister had already said on the same occasion:

> There has never been any intention on the part of the government to sign, implement, ratify, or consummate a treaty without first seeking the approval of parliament, accompanied by an appropriate debate and on opportunity for the expression of opinions.

I suggest, sir, that those statements of the minister scarcely accord with the facts. This agreement was made known to the house in January, 1965. It should have been debated immediately. It should have been settled by the house one way or another before it became operative. But parliament was bypassed. Now, almost a year and a half later, parliament is asked to validate this agreement. Parliament is asked to be a rubberstamp for executive action. This places parliament in a very awkward situation indeed. I find it rather disturbing.

I notice that when the Minister of Transport was dealing with the point of order raised last night he said, as found on page 4781 of *Hansard*:

> We all know that under the strict interpretation of the constitution these agreements are ratified by the Crown and they do not in fact require—though it is a constitutional practice—to ask for approval of the house.

Then he went on to say:

> If what has become a constitutional practice is followed, the agreement would not be ratified by any future government without the consent of the house, if it came forward again. If the ordinary constitutional practice which we now have is followed, any agreement of this sort is brought by the government to both houses before there is ratification.

This has not happened. The constitutional practice has not been followed. This agreement was not ratified with the United States after parliament had approved it but before. Therefore you have a break with constitutional practice which I think should be very carefully examined by parliament. I think that the other house, if it is not too burdened with duties, might very well examine the encroachment on the rights of parliament by the executive. It is my belief that the power of the executive in this country is increasing. In the famous words of the past, it has increased, is increasing and ought to be diminished.

Mr. Bell (Carleton): Hear, hear.

Mr. Churchill: This is a first class example how the power of the executive has been used to derogate the rights of parliament, which runs quite contrary to the history of our country.

Prime Minister Mackenzie King was frequently heard to speak about the supremacy of parliament. He frequently raised objections, as have other hon. members of the house from time to time, against the encroachments of executive power. When he was prime minister he put before parliament in June, 1926, a treaty or international agreement which he wanted ratified by the house. He was very careful to indicate that parliamentary approval was essential. On page 4762 of *Hansard* for 1926 he used these words:

> The present government by this resolution is asking parliament to approve of a course of procedure which will involve with respect to treaties, involving military and economic sanctions, the approval of parliament before the government of the day agrees to any obligation implied in the treaty being undertaken in the name of the country.

That was sound doctrine in 1926. It is sound doctrine for today.

On page 4767, during the course of the same debate, Mr. Cahan, the then member for St. Lawrence-St. George, speaking on behalf of the opposition used these words:

> I understand that the duly authorized representatives of the Canadian government may, in accordance with its terms, properly sign treaties or conventions on behalf of Canada without having received the prior authority of the parliament of Canada to do so—

This is the important sentence corresponding with what Prime Minister Mackenzie King said:

—but that no such treaty or convention or agreement so signed shall be binding upon Canada until it has been formally approved by the parliament of Canada.

That has been the constitutional practice throughout our history. There are many instances of the signing of international treaties by representatives of the government of Canada, but those treaties have not become effective and have not been applicable to the Canadian situation until they have been ratified by parliament. Here we have an instance where constitutional practice has been completely ignored. The supremacy of parliament has been placed to one side, and by executive action in January, 1965, this country was committed to a treaty with the United States dealing with economic matters, without ratification by parliament.

A year and a half later, in order to validate this agreement, the minister has come before us asking for our consent. You can see the awkward position that we are placed in if parliament refuses to assent now. You can readily realize the disruption that would occur because of the very extensive changes which have occurred in the automotive industry during the last year and a half. A blunderbuss is placed at the head of parliament. We are in effect told to approve of the treaty or a chaotic condition will result in the automotive industry. So, whether Canada has benefited or not, and I am not debating that issue at the moment, parliament in effect is almost compelled to assent to something that was done without its authority a year and a half ago.

• (1:20 p.m.)

How far is this to go? Is the power of the executive to be exercised in the case of other agreements of a similar nature without the approval of parliament or is parliament going to assert its control over the executive? Mackenzie King's oft-repeated statement about the supremacy of parliament must be considered here. The reason I raise this issue is that in the course of remarks made yesterday by the hon. member for York East (Mr. Otto) these words occur as reported at page 4773 of *Hansard*:

There is some talk about extending this agreement to, or making a new agreement with, the timber and lumber business. We can also do it in the plastics business, the chemicals industry and the services industry. We might find ourselves with 1,000 agreements with United States manufacturers.

The hon. member then went on to present arguments in favour of this method of expanding our trade. Is this kite-flying by a member on the government side to encourage the minister to make further agreements of this kind, to accustom the people of Canada to the fact that other agreements may be made by executive action without the consent of parliament? The hon. member for York East said nothing about the ineptitude of the present method. He said nothing about the supremacy of parliament. He just accepted the fact that the executive, according to his philosophy of political life, may make agreements of this kind and then bludgeon parliament into agreeing to them.

I would suggest to the hon. member for York East that a cautionary note with regard to his proposal has come from a high source in the hierachy of the Liberal party. I have not yet had an opportunity to read the book which has now been published by the hon. member for Davenport (Mr. Gordon) and I regret having to advertise it as others have done. Nevertheless it may be worth reading. I was not sure that I would buy the book and read it until I saw a comment in a newspaper as to its contents. The contents seem to disclose a sharp division of opinion within the ranks of the Liberal party with regard to economic matters and whenever I discern a sharp difference of opinion within the Liberal party I like to read any article or book in which reference is made to it because I am very much concerned about the survival of the Liberal party.

The newspaper—it is the *Globe and Mail* of today's date—refers to Mr. Gordon's book and says:

He rejected the concept of continentalism for Canadian and United States business saying he would not favour extension to other industries of the 1965 conditional free trade agreement in cars.

So here we find one of the leading members on the government side, the former minister of finance, suggesting there should be no further extension of agreements of this nature and therefore in effect disapproving of the present agreement. I suggest to the hon. member for York East and to others who may be of his opinion that this kite-flying with regard to the extension of agreements of this nature should be checked out with the author of this book, the hon. member for Davenport. Maybe they are saying the wrong things at the wrong time and will cause dissension and disruption within their party, something which should, of course, be avoided.

Taking into account the weight of an opinion expressed by a former minister of finance, I think we are right on this side in asking for a very careful examination of the operation of this agreement. I am surprised that the Minister of Industry (Mr. Drury) did not accede to the request put forward yesterday that the agreement should be referred to a committee. Why would he resist such a suggestion? I would draw the attention of the house to the intense interest which was shown by hon. members when the automobile industry was discussed last session. That interest is still evident. The industry we are considering is one of the great industries of Canada. We all want it to be strong and flourishing. We all want to see the development of the automobile industry in Canada. We would like a great number of highly skilled Canadians to be involved in it. We would like to see our exports of automobiles increase. We would like to see the development of parts manufacturing in Canada. We would like to see a reduction in the cost of automobiles to the consuming public.

This being the case and in view of the intense interest taken in the industry, why should there not be a full examination of this subject? We have committees here which could look into the matter and hear evidence not only from officials of the government but from representatives of the automobile industry and the public. We could carry out a first class examination of this agreement as well as of the development of the industry in Canada.

The minister would, I think, reject the idea of an examination by a committee, though I am not sure. A motion proposing such an examination was ruled out of order. Possibly he will not object to this proposal. Indeed, he may be the one to suggest it and persuade Mr. Speaker to accept a motion made by him to that effect. If the agreement were dependent upon an immediate settlement of this question the minister might argue: there is no time; we must sign the pact now or the whole arrangement will fall through. That would be a serious argument. But the agreement has been in effect now for a year and a half. It was not brought forward in 1965 for ratification by parliament; it was brought forward a year and a half later. A *fait accompli* has been achieved.

In these circumstances there can be no serious objections to there being a little further delay so as to enable a committee to make an examination of this agreement. Indeed, the minister himself should be the one to suggest that all these matters might very well be placed before a committee. Let us give him the benefit of the doubt. His ideals with regard to the automotive industry may have been very sound and his actions may have been taken with the best motives in the world. I am not quarrelling with him on that score at all.

• (1:30 p.m.)

On the other hand, the agreement may not have worked out as it was depicted to us in such glowing colours a year ago. If it has not, let us know about it and perhaps the defects can be corrected. Why should we not have a committee to investigate this matter and why did we not have one last year? I doubt that there is anything more disturbing than what happened last year when we had to get our information about this agreement second hand from Congressional investigations in the United States. That is the wrong way to go about things. Yesterday the hon. member for Danforth (Mr. Scott) drew our attention to this when he said, as recorded at page 4764 of *Hansard*:

> As a matter of fact we obtained most of our information from the hearings in Washington. Incidentally, it has always been embarrassing to me as a member of the House of Commons that we have to rely on the senators in Washington to snap their fingers and get the detailed information which we wanted from our own government in Canada but could not get.

I recall the questions put and the answers given in this house last year on that very subject of information coming out of Washington through a Congressional committee about a matter upon which we could not get information here and yet it was just as important to us as to anybody in the United States. Now, a year and a half later, I suggest to the minister we still have an opportunity to appoint a committee, if you like a joint committee of the Senate and the House of Commons, to investigate the automotive industry and this agreement in order to see whether the agreement is really operating as it should or should be modified. If it is found that it should be modified the matter should then be taken up with the United States.

Another reason can be advanced for appointing a committee of inquiry at the present time. I understand this agreement runs for three years.

Mr. Drury: No, unlimited duration.

Mr. Churchill: That is all the more reason for an investigation.

Mr. Drury: Why don't you read the agreement?

Mr. Churchill: This is all the more reason for an investigation because, if it is a perpetual agreement, we need to know whether it will benefit Canada or will be to our disadvantage. Why should this rest solely with the executive, a few people elevated to brief authority who make a decision in perpetuity of this nature without parliament giving its approval prior to the signing of the agreement?

I am glad the minister interrupted and corrected me because it shows exactly how serious the matter is. The executive of this country is setting itself above parliament and above the people of the country. It is tying us forever to an agreement with the automotive industry of a powerful neighbour, an agreement which may be to our serious disadvantage. If we are at equality with the automotive industry in the United States let us settle that point by a thorough investigation. But if we will be at a serious disadvantage in the future let us find out now so that steps can be taken to correct the situation. This emphasizes the whole point of the argument with which I started, that the cabinet has gone beyond its powers in making an international agreement without the sanction and authority of the House of Commons. The supremacy of parliament has been completely ignored.

The executive has set itself up as the supreme authority in this country and apparently is prepared to do anything it likes without the authority of parliament. Once it sets this precedent it can move from that point to another. It can break the constitutional procedure of the past and the precedents set in the past. This is what the executive has done. It reminds me of those years in the 1950's when we were battling about the excessive powers of the executive.

The minister was trained in that particular school when the government of that day wanted to ride roughshod over parliament. Now he is doing the same thing without having fully considered the extent of the derogation of parliament that has ensued from his action. I suggest that the supremacy of parliament must be re-established in this country and that the power of the prime minister and the executive must be diminished.

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

Mr. Churchill: Of course.

Mr. Addison: I listened to his speech with great interest and I was unable to ascertain, even though he felt that parliament would reluctantly agree to this agreement, whether or not he was in favour of further agreements of this type. Is he?

Mr. Churchill: That is a hypothetical question. I was simply dealing with the automotive agreement. I brought to hon. members' attention an expression of opinion of one of the senior members of his party, and I suggest that the hon. member talk to the hon. member for Davenport.

Mr. Milton L. Klein (Cartier): Mr. Speaker, I rise only to discuss one statement made yesterday by the hon. member for Danforth (Mr. Scott) when he said, as recorded at page 4763 of *Hansard*:

> Of course, the agreement brings out the whole problem of foreign ownership. The real problem, it seems to me, about foreign ownership in Canada does not come out of trying to make political decisions. The real problem that I have encountered in the little travelling I have done in Canada is that the Canadian people themselves do not have the guts to build a Canadian owned economy.

This statement is partially true. One of the real problems facing Canada is that Canada does not have enough people. We cannot expect to be big if we remain numerically small. We cannot expect to compete on the North American continent or share the North American continent when we remain at the ratio of 20 to one population wise.

The strength of the United States lies in the fact that it does not have to export, that its domestic market is big enough to absorb the productive capacity of the nation. We are not in that position. We can produce much more in this country than the citizens of the country are able to consume.

It would seem to me that the only way to deal with the question of foreign ownership is not by creeping nationalization or creeping expropriation but by diluting foreign ownership in this country through creating Canadian investment. If there is an industry where, for example, foreign control is in the ratio of 80 per cent to 20 per cent Canadian, the way to deal with that problem is to introduce in that particular phase of commerce Canadian competition so that over the years we will be able with a greater population to reduce that 80 per cent and the 80 per cent foreign control will by dilution become 20 per cent and the Canadian proportion will rise to 80 per cent.

• (1:40 p.m.)

This, however, will take time. It will take years to accomplish, but we will accomplish economic sovereignty with political maturity. At this stage I believe it is politically immature to complain about foreign investment in this country when so many Canadians are dependant for their very livelihood on foreign investment in Canada.

It has been suggested that the Studebaker plant in Hamilton should be purchased. It would seem to me that here is an excellent opportunity to create a pilot corporation. I always ask myself this question: If Sweden can manufacture an automobile completely, why cannot Canada manufacture its own car? It might be a very good suggestion if the government would consider, along with the labour unions of this country and the banks, the purchase of the plant in Hamilton so that it might be operated as a joint venture of the government, the labour unions and the banks. It seems to me that the labour unions in this country could play a much larger role than they are playing now in an effort to remedy the situation about which the hon. member for Danforth is complaining.

The labour unions of Canada possess huge treasuries. If it requires legislation to release pension funds, if it requires legislation to allow trust companies to invest in Canadian enterprises of this kind, I think this is the way to tackle the problem presented yesterday by the hon. member for Danforth. It could be so arranged that the government, if it did participate in this joint venture, could participate in a manner by which it could dispossess itself of its shares in the enterprise by releasing them to the public when the corporation was in a healthy state of existence. So I would say to the hon. member for Danforth that there are many avenues through which he might be persuaded to help our economy and one is by getting the New Democratic Party and the labour unions of this country to favour wide-scale immigration into Canada.

Mr. Scott (Danforth): We do.

Mr. Klein: You do not. The New Democratic Party is opposed to immigration. You will accept immigration of skilled labour only. You will not accept wide-scale immigration into this country and I say it is this practice which is keeping this country down.

Mr. Scott (Danforth): I know the hon. member wishes to be accurate. That is not the position of the New Democratic Party. If the hon. member wishes, we would be glad to send him the convention manifesto which would make it clear that this party for years has favoured much wider immigration than this government has been prepared to permit.

I am intrigued by this venture into socialism in respect of the buying of the Hamilton factory. I wonder whether the hon. member could indicate to us how this would work, who would buy the cars, how would you merchandise them, where would you sell them?

Mr. Klein: I do not know how we would do it. I am merely trying to indicate some of the things we could attempt to do to bring about the very things about which you were complaining in your speech. There was a period in recent history when Canada was the fourth largest manufacturing company in the world. That was because we were exporting the products of Canadian companies to those areas in Europe which at that time were devastated by the war and were not manufacturing the same articles themselves. So we had ready-made markets for the products of Canadian industry. Today those countries to which we were shipping products yesterday are producing them themselves. Therefore I think it would be a very splendid idea for Canada, if we are no longer able to export the product, to import the customer.

I would reiterate that the basic problem in Canada is the fact that when we speak of Canada we must know what we are speaking about. We are speaking about five, six, or maybe ten industrial centres. It is not that the rest of Canada is not important but from the point of view of population Canada consists only of Montreal, Toronto, Winnipeg, Hamilton, Vancouver and a few other centres. Aside from these eight or ten centres Canada is a barren, empty country. In order to remedy the situation my plea today is that we should have a broader and wider immigration policy.

Mr. John H. Addison (York North): Mr. Speaker, I welcome the opportunity to take part in this debate and my remarks will be brief and rather to the point. I often have wondered whether the "grass" or backbenchers had any influence over a cabinet minister. Two weeks ago in the wind-up of the budget debate I urged upon the minister as strongly as I could that after about 15 months he should bring the United States-Canada auto agreement to parliament so that we might examine it. Two weeks later, by good luck or good management, here it is.

Mr. Churchill: The cabinet needs a lot of direction like that.

An hon. Member: It was coincidental.

Mr. Addison: The agreement has been considered very thoroughly both by the minister in his opening remarks and by members from each party in the house. There are two aspects of the agreement which bother me, as I am sure they bother other members in the house.

• (1:50 p.m.)

One of my reasons for asking the minister to bring the agreement before the house as soon as possible is the activity and interest in Canada in respect of safety in so far as the automobile industry is concerned. The United States government and the United States manufacturers who control the automobile industry and manufacturing facilities in Canada have agreed to work in co-operation to provide legislation in so far as safety equipment is concerned. Therefore we will be automatically included under this agreement. It seems to me we should know exactly where we stand in this parliament if we are going to be asked to pass laws to increase highway safety. Standards of safety in the United States might be different from those we feel are necessary in Canada. Certainly in the past there has been a difference in the specifications of a United States manufactured car and a Canadian manufactured car.

We have all read the guarantees which form part of this agreement. I hope that we will continue to enjoy distinctively Canadian automobiles but I suppose this will depend on the good will of the manufacturers. Over the years we have developed distinctive names for Canadian manufactured cars and I hope this situation will continue. In the future I hope we will see more research and development in Canada but at the present time very little of that type of activity takes place here. While manufacturing facilities are being used primarily to produce automobiles and provide employment in an effort to alleviate our balance of payments problem, I hope that some development will take place in Canada whereby manufacturers will undertake to bring skilled people into this country.

The hon. member for Danforth (Mr. Scott) asked what the alternative would be if the price of cars in Canada did not come down so as to be more comparable with existing prices in the United States. In my opinion these prices will come down over a period of time because it is in the best interests of manufacturers, unions and everyone concerned with the automobile industry to bring our prices into favourable comparison with United States prices.

We all realize that this agreement pertains only to manufacturers and at the present time only to manufacturers of original equipment. There is no suggestion that someone could go from Canada to the United States and purchase an automobile at a lower price and return with it. That is not the purpose of this agreement. However, in connection with the suggestions of the hon. member for Danforth, there should be some voluntary aspects in price labelling of automobiles in the future and I believe that prices should be clearly indicated and that these labels should remain affixed to the automobiles until they have been delivered.

The advantages of this agreement have been enumerated by previous speakers. In my own area, which is about half way between Oshawa and Oakville, the opportunities for new manufacturing facilities are immense and already one factory is located in the township of Whitchurch.

Mr. Winkler: We should have a little more decentralization.

Mr. Addison: I should like to comment briefly on Canada's automobile industry so far as foreign markets are concerned. We supply quite a large number of automobiles to the Caribbean market, which is a favourable one for Canada, not only because of our relationship with Caribbean countries but because this trade signifies to them, many of whom are emerging as independent countries, that Canada is a real friend. As a result of our distinctive Canadian automobiles going into these areas we are able to build up a good reputation in these markets.

The hon. member for Winnipeg South Centre (Mr. Churchill) was critical of the government for the way this treaty was brought about. It seems to me that over the last 15 months we have had a reasonable opportunity to observe the effects of the agreement, which to this point have been excellent. I think the Minister of Industry (Mr. Drury) and the government should be complimented in this regard.

An hon. Member: Hear, hear.

Mr. Winkler: Well, you have one supporter but he only used one hand.

Mr. Addison: The hon. member for Winnipeg South Centre made reference to a book now being published, written by the former minister of finance. I have read excerpts from this book which appeared in the *Globe and Mail* on Thursday, May 5, and I should like to quote a portion of the article:

> Referring to events during his term as finance minister, Mr. Gordon indicated that *Time* and *Reader's Digest* magazines were exempted from the Canadian ownership legislation of 1965 as a trade-off to secure passage through Congress of the auto agreement. The legislation extended to newspapers and magazines the existing law requiring that control of Canadian radio and television stations must be held by Canadian nationals. *Time* and *Reader's Digest* were exempted on the grounds, Mr. Gordon said, that these periodicals had operated in Canada for many years and recently had been doing their printing in this country.
>
> "Many people were unhappy about the exemption of *Time*," he said. "Its preferred position makes the establishment of new Canadian magazines more difficult."

I hope in this particular instance, where we have a strong, equitable bargain, that we have not at the same time traded away the possibility of distinctively Canadian publications being successful. I realize that the automobile business is, as the hon. member for Danforth said, a horse trading business. When we renegotiate this agreement, which runs in perpetuity, I hope we shall do so with wisdom. The agreement has the stipulation that it can be cancelled after one year and at the end of 1968 it will be renegotiated. I am sure Canadian manufacturers will eventually be expected to stand on their own feet. The guarantees presently enunciated in the agreement will sooner or later disappear, at which time we will be expected to produce automobiles in this country at prices comparable with prices existing now in the United States. I am sure we will be successful.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I had no intention of participating in this debate but after listening to the remarks of some hon. members the thought struck me that because this agreement is to last forever there will have to be amendments made from time to time. That is only a common-sense approach to the situation because we could not have a hard and fast treaty with terms that are suitable now applying in the future in the light of changing world conditions.

The point I am making is that it would be a good idea to refer this agreement to a committee of the house before renegotiating in order that parliament might have all the existing facts before it. Obviously we are not going to be successful in having this resolution referred to a committee prior to its approval because the government will not accept that proposal. However, in future, because of changing world conditions, a committee of this house should make a thorough examination of conditions at the time of renegotiation in order that the aims and purposes of this treaty can be attained.

The last speaker has just suggested that the Canadian automobile industry will be expected to stand on its own feet in the future. I think the industry is standing on its own two feet now and that if we continue to take advantage of the favourable parts of this treaty the industry will benefit. One must remember that we are now operating on a devalued dollar basis. What would happen if a situation developed in which there was closer parity between the Canadian and U.S. dollar? It is in the light of this type of consideration that I suggest a committee of this house should have the most up to date information possible regarding the difference in automobile prices between Canada and the United States.

There is a host of other points which must be taken into consideration when this treaty is renegotiated. The last speaker referred to research. I agree wholeheartedly that if and when greater and better research facilities are developed here trained Canadian researchers will remain in the Canadian industry.

• (2:00 p.m.)

It would seem to me that these are all matters we should be discussing as we proceed from the point of passing this treaty. We should be discussing them not just when any change is considered desirable in future but right through the piece so that we in the House of Commons will be kept up to date.

Mr. Robert McCleave (Halifax): Mr. Speaker, my intervention in this debate will be very brief because the matter I intend to raise by way of a question to the Minister of Industry (Mr. Drury) is rather outside the scope of the agreement now being debated in the house. It arises from a question I asked the other day and the fact that Nova Scotia, which is one of the three automobile producing areas of Canada, apparently faces a difficulty regarding tariff arrangements. The voluntary economic planning board of the province has pointed this out. Therefore, Mr.

Speaker, my point is simply to ask the minister whether he and the government will bring their good offices to bear, if necessary, to see that an infant industry in my province is protected.

Some hon. Members: Question.

Mr. Deputy Speaker: Order. I must advise the house that if the minister speaks now he will close the debate.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think we have had an interesting and not too protracted discussion of this particular question. I have found it most interesting, instructive and helpful. I am very glad indeed to have noted that there has been on all sides of the house general agreement with this agreement. Observations have been made as well as some complaints, but I have sensed in this house, as elsewhere in the country, general agreement with the fact that the government has made this kind of agreement with the United States.

I would particularly point out that although there have been some coy suggestions about eventually giving approval, no one has suggested that this agreement entered into in 1965 was a bad thing and should not have been entered into. I agree that it has given rise to some questions in the minds of members. There have been suggestions made that perhaps years and years ago we should have organized our automobile industry in a way different from that which existed in 1965 but that given the facts of the nature, structure and size of the automobile industry in Canada in 1965 this agreement is a sensible and useful course of action for Canada to have taken.

One might divide the observations made into two classes, one procedural and the other relating to substance. I shall try to deal with them in that order. A number of members have mentioned the fact that this agreement has been in existence for some 15 months and only now is ratification being sought. It has been referred to as a treaty. I should, without appearing to be trying to give a lecture, distinguish between a treaty and an agreement. A treaty is a formal instrument between two nation states which binds the states as states. Reference has been made to Mr. Mackenzie King's procedure in dealing with treaties in that in the normal course of events treaties call for ratification by the legislative bodies of the two nation states. But in this case this is not a treaty. It is an agreement between the administrations of two countries governing the exercise of their normal administrative functions—

Mr. Churchill: Is it binding?

Mr. Drury: —in carrying out their duties as authorized by the legislature of the United States and the parliament of Canada. This is all that is being done. In the case of the United States a formal reference was made to the United States Congress in respect of this agreement, not with a view to ratifying a treaty but in order to implement their undertakings, and to do the things they wanted to do the United States administration had to seek from Congress a change in the law of the United States. We were more fortunate in that the operations in Canada could be carried out without any change in the law.

Mr. Lambert: Under what authority?

Mr. Drury: Under the various laws providing for the administration of Canada.

Mr. Lambert: Including the remission of duty?

Mr. Drury: Including the remission of duty.

Mr. Lambert: As a general policy of remission of duty or simply the power to remit duty in particular cases?

Mr. Drury: The power to remit duty.

Mr. Lambert: In particular cases?

Mr. Drury: The power to remit duty. If this had been a treaty I would have agreed with the hon. member for Winnipeg South Centre (Mr. Churchill) that ratification would be required and that such a treaty could not become operative until ratification had been sought and obtained. The object in introducing a resolution to be approved by parliament was to provide members with an occasion for a discussion of this agreement. Perhaps the fact that it has been, to some degree in any event, in operation for a period of 15 months makes such a discussion much more intelligible than would have been the case if it had all been purely hypothetical. It is quite clear to me that hypothetical questions of a serious character are not at issue in respect of this agreement.

Mr. Churchill: Mr. Speaker, could I ask the minister a question?

Mr. Drury: Some doubts have been expressed as to the way in which this agreement is operating. Some questions have been

asked regarding whether the results are good or bad. But surely we are in a much better position to judge the results when we have partial results than if nothing had been done at all.

Mr. Churchill: Could I ask the minister a question?

Mr. Drury: Yes.

Mr. Churchill: If the agreement was turned down by parliament, would the cabinet simply ignore parliament's opinion?

Mr. Drury: If parliament failed to approve this agreement, obviously we would have exactly the same situation as when the House of Commons declines to approve an act of policy of the government which it is within the administrative abilities or functions of the government to carry out without parliamentary approval. This normally, of course, takes the form of a confidence motion. The result of failure to approve the agreement in this case would be exactly the same as failure of the government to secure the support of the house on a motion of confidence. I do not think I need tell the hon. member for Winnipeg South Centre that.

If I may continue from the point at which I was interrupted, Mr. Speaker, a consequence of deferring discussion on this agreement until such time as it had been in partial operation for a while makes such discussion more intelligible and consequently, I think, more constructive. I would hope that members of the house would welcome this delay rather than deplore it for purely technical, procedural or hypothetical reasons.

Mr. Lambert: Would the minister accept that principle in regard to other legislation or does it apply only in this case?

• (2:10 p.m.)

Mr. Drury: No, Mr. Speaker, this is not legislation. We are not dealing with legislation.

Mr. Lambert: Oh.

Mr. Drury: I would stop the hon. gentleman there. The suggestion has been made that this agreement might be referred to a committee for examination. The reason advanced is that there is great interest in the agreement and it will enable the house to be better informed as a consequence of examining both members of the administration and outside witnesses. As evidence of this interest, the hon. member referred to the large number of references in *Hansard* in the course of the past year to the automobile agreement. I note in passing that there is a page and a half in the *Hansard* index—not *Hansard* text—showing where information is to be obtained and was given and coupled with the debate we have already had on a supply motion this does seem to me to provide a fair and adequate answer to the charge or suggestion that the government has not been providing any information on this subject and has been withdrawn and secretive.

In so far as reference to a committee is concerned, I believe the house will recall the discussion we had a few days ago on the problem of securing quorums for parliamentary committees and the desirability of reducing them. The argument was made that this was necessary because there were so many committees meeting simultaneously and they had so much work to do that it was impossible to secure a very large attendance. To refer this to a committee would indicate a lightheartedness and disregard really for what are urgent questions for discussion by committees. To refer this matter to a committee on the grounds that somebody might be interested does not seem to me to be a very practical or businesslike way of conducting the business of parliament.

Mr. Winkler: Will the minister permit a question? Does he not think that at this stage, after the agreement has been in effect for so many months, the benefit of advice from manufacturers themselves would be essential to parliament to determine whether the government had indeed done something valuable or otherwise? This is all we are asking; this is all we have asked during the entire debate.

Mr. Drury: Mr. Speaker, if a parliamentary committee is going to endeavour to ascertain from the manufacturers whether they endorese this agreement, which they have already done in the form of letters tabled in the house, I do not believe that anything will be gained, to be quite frank. In my view it would be a misuse of parliamentary time to thrust this additional chore onto already overloaded parliamentary committees.

Mr. Winkler: It would at least be a democratic exercise.

Mr. Drury: Perhaps I should not comment on that. If the hon. gentleman equates democracy and inefficiency, perhaps there is some substance in what he says. I have the view,

however, that democracy can be common-sense and efficient and still be democratic, and this is what we should be aiming at.

In so far as questions of substance are concerned, I listened to a number of members impute to the government statements that the object of this agreement was to reduce or rectify or correct our balance of payments deficit with the United States. Although it is supposed to be bad form to quote oneself, I should perhaps refer to the statement I made when this agreement was first announced. This statement on January 15, 1965 expressed in clear terms the objectives of the agreement. At that time I said:

> This program is designed to achieve a substantial expansion in production and employment and promote improved competitive efficiency in this important sector of Canadian manufacturing.

That is the opening paragraph of the statement and it contains, therefore, a statement of the objectives of this agreement. It has been quite evident from the comments of hon. members that these objectives are in the course of being achieved. I am prepared to admit quite frankly that the added bonus for which one would have felt grateful had we been able in the first year of operation to cure the imbalance has not been achieved. However, it should be quite clear to hon. members that the rate of growth of our exports is very much larger than the rate of growth of our imports in this field. If, as one would expect, there will be a continuation of this trend as the agreement becomes fully implemented and effective and this satisfactory trend continues, there will as a consequence be an improvement in the long run in our balance of payments deficit.

As I mentioned in my opening remarks, there has been an increase in absolute terms in the deficit in the first year of operations. It is unrealistic to expect that the industry in Canada, which manufactures only some 60 per cent of total sales of automotive products in Canada, will arrive at a situation in a vastly and rapidly expanding market where our imports would not seem to increase, but we have not been able in the first year to make a sufficient penetration of the American market to offset the increase in imports needed to serve the increase in our domestic sales.

However, I would ask the house to be patient with us and share with me the expectation that the current favourable trend of more rapidly rising exports than the rate of rising imports will continue and that there will be not only an anticipated but a real improvement in our balance of payments in this field.

I point out again that this is not the main and cardinal object of the agreement. The main object is to increase production in Canada on a more efficient basis and to provide more employment opportunities in our country. This, I suggest, is demonstrably under way.

Reference has also been made to the kind of expansion in production taking place and as a consequence the quality of the labour and the type of jobs which are being created. Mention has been made of the fact that so far there have been created some 10,000 new jobs. I believe the suggestion has been made by some members that all these will be men who put on nuts and bolts on the assembly line and that rather more skilled labour will be disappearing. I should point out that of these 10,000 new jobs slightly less than half of them are in the parts manufacturing industry. This, I think, would indicate that we are not becoming merely assemblers of motor vehicles. Indeed, in terms of total production, the house will recall that one of the things on which we insisted in the arrangements with the motor car companies was that they must maintain in Canada a ratio of assembly to total domestic sales no lower than they had in the past. I am glad to say that in terms of assembly operation in relation to total operation, this ratio continues to be substantially what it was at the outset of the agreement.

• (2:20 p.m.)

Reference was made also to the sales tax and duties and the difficulties facing manufacturers in expanding when forced to pay sales tax and duties on new production machinery they had to acquire in order to meet the expanded production. In the view of some members this was imposing on them an impossible task, and a rather more moderate view was that this was unfair. The answer, of course, to the question of the impossibility of both paying sales tax and duties and making other expenditures is given in the number and size of the expansions already achieved. If it were impossible to expand or set up new plants as a consequence of this taxation statute, then a very large number of Canadian manufacturers of both automobiles and components have succeeded in achieving the impossible.

Mr. Nesbitt: Are those independent manufacturers or subsidiaries of the major automobile companies?

Mr. Drury: Both, independent manufacturers and automobile manufacturers themselves and their subsidiaries. I am glad to say that this expansion has taken place over the whole spectrum and is not confined to one particular area. As to the contention that payment of sales tax and duties at a time when expansion is being urged upon them is unfair, I feel this is probably a question for the judgment of the Minister of Finance (Mr. Sharp).

As he explained in his budget with regard to the prospective rate of expansion in Canada at the present juncture, the object of his budget in popular terms was to remove some pressure on the accelerator, namely, to slow down the rate of expansion. It has not been evident to me so far that as a consequence of the non-removal of the sales tax it will not be possible for the Canadian automotive industry to meet contracts, both with respect to quantity and in relation to other aspects of the agreement. Whether they will be able to do this on as profitable terms as they would have been able to do had the sales tax been removed is, of course, another question. There is no doubt about it that the manufacturer who is relieved of tax payments has more money available for retained earnings than if he had to pay the tax.

I do not know, and I do not have reason to know, that the proposal of the Minister of Finance to remove progressively over the next two years the sales tax on production machinery will make it impossible for both motor car manufacturers and parts manufacturers to achieve the targets toward which the agreement has been aimed. In so far as duties are concerned on imported machinery, which appears to be one of the main apprehensions, it has been stated that most of the manufacturers who have to import this production machinery because it is not manufactured in Canada are placed at a serious competitive disadvantage in relation to United States competitors by reason of having to pay a duty of 22.5 per cent on their production machinery. The fact of the matter is, I am advised, that in the case of production machinery not manufactured in Canada, which is imported by the automotive industry for the manufacture of automobiles, there is a tariff drawback of 99 per cent of the duty. This means that for all practical purposes there is no imposition of this 22.5 per cent duty on machinery required for expansion.

[Mr. Nesbitt.]

Mr. Nesbitt: Would the minister permit a question in this regard? Will the minister agree that in many cases, with regard to machinery used for production purposes of a class or kind made in Canada, on which there would be a duty of 22.5 per cent if it were imported from the United States, under present economic conditions in Canada there may be a waiting period of a year or a year and a half before this machinery can be obtained in Canada, so in order to meet production schedules it becomes necessary to import it from either the United States or the United Kingdom?

Mr. Drury: I agree that this is the kind of choice that faces every entrepreneur. He has to make his choice on the balance of economic advantage. Perhaps in this regard I should say that the problem of levying duty on machinery of a class or kind which could be manufactured in Canada, but which in actual fact cannot be manufactured within what I might call a practical time, is receiving consideration by the government now. I suggest that in so far as machinery not made in Canada is concerned, in practical terms there is no duty levied.

Mr. Nesbitt: I am very glad to hear that.

• (2:30 p.m.)

Mr. Drury: One other question which was raised was car prices. I think in my opening remarks I did indicate that the only intelligent comparison that can be made of car prices or car costs would be at the manufacturers' level. When I say "intelligent comparison", I am talking in relation to this agreement. The agreement does not purport to influence or affect the rates of provincial or state taxation, nor the general scheme and structure of distribution in effect with respect to automobiles and automobile products in the two countries. This agreement is directed to the manufacturing operation and consequently manufacturing costs. In measuring its usefulness one should look, therefore, at these costs at the manufacturing level. If changes are indeed desirable at that more distant level in the distributive process, then I suggest that is another question altogether. It is quite clear that at the manufacturing level there has been a narrowing, even in our first year of operation of the agreement, of the differential in costs between the cost of manufacture in the United States and the cost of manufacture in Canada. I think that hon. members should perhaps look slightly askance at some of the figures given in

relation to retail prices on the other side of the border.

Mr. Lambert: Is not that what concerns the public?

Mr. Drury: I agree, Mr. Speaker. What concerns a member of the public is the final price that he pays. This, which I would suggest is the concern of members of parliament, is not relevant to this particular agreement.

Another thing which was briefly examined was the question of continentalism and whether this agreement is leading us into continentalism as distinct from its antithesis which is internationalism. I should point out that in so far as Canada is concerned we are in this agreement dealing with an industry which is almost entirely owned and controlled by parent companies in the United States. The Canadian side of this agreement does offer to any country in the world precisely the same rights of entry and the same advantages that are offered to the United States. Because the control of the largest segment of the automobile industry rests with the United States, it must be remembered that any international agreement, or any agreement having international scope in so far as Canada is concerned, must be oriented in terms that bear in mind the automotive industry of the United States.

By reason of this I would suggest to hon. members that this does not represent the first step toward continentalism. I do not think it is conceivable, nor would it be a practicable exercise for Canada at this stage, to endeavour to buy back, out of the accumulated savings here, the automotive industry in Canada from its present owners in the United States. We have a vast need for additional capital to carry out the expansion that we all look for in this country and that we are trying to bring about. To endeavour to take what savings we are able to generate in this country and devote them to the single, very large and concentrated task of buying back the automotive industry would be in my view a wrong use of our savings. We can use them much more effectively and much more productively. To develop our national identity and our national interest we should employ such savings, I suggest, in new enterprises controlled in Canada rather than concentrating all the effort which would be required even to contemplate the repurchase of the automobile industry, to buy back that industry.

I am grateful, Mr. Speaker, as I said at the outset, for the observations and comments which hon. members have provided in relation to the automotive agreement. I am very glad indeed that there has been on the part of all members a recognition that this agreement is in the interests of Canada. I undertake to take note of the observations which have been made in relation to its future operation.

Mr. Nesbitt: Mr. Speaker, I wonder whether the Minister of Industry would allow me to ask a question. I am sorry to have missed the first part of his remarks. If he has dealt with what I am about to ask, I apologize.

One matter that I brought up in my remarks last evening was that at least one of the large automobile manufacturers, and to some degree another of the big three, does not permit independent Canadian automobile parts manufacturers even to tender on job lots of automobile parts. Indeed, independent Canadian manufacturers have been told: "No, we will not even accept your tenders no matter how efficient or how competitive your prices may be since we would rather buy from our own wholly-owned subsidiary plants across the border."

I am sure the minister knows of this. Does he intend to use his good offices to try to rectify this situation? It has been my understanding that the automobile parts manufacturers say: "If we are not competitive, then we are not competitive and that is the end of it. But when we are competitive and are not given an opportunity to tender we feel that there is something the government did not anticipate when the automobile parts agreement was entered into."

Mr. Drury: Mr. Speaker, the government did anticipate this. Consequently the department is prepared to use its good offices to rectify this situation. I suggest that the problem to which the hon. member has made reference should be rectified by the Canadian manufacturer looking, as he has done, for a product which the United States wishes to buy rather than persisting in trying to get the U.S. manufacturer to buy or forcing him to buy something he does not want.

Mr. Nesbitt: That is not the situation I am speaking of.

Mr. Drury: It does not make economic sense for our manufacturers to endeavour to have pressure put on the United States to buy things they do not want.

Mr. Nesbitt: Nobody is suggesting that.

Mr. Drury: United States manufacturers do Not want to buy from us, or from outside their own manufacturing facilities, articles that they manufacture themselves. That is the situation here. Vertical integration has taken place in the United States to such a degree that components are manufactured by the motor car manufacturers themselves. They do not want to buy components outside.

It has been suggested to Canadian component manufacturers that they should expect this. It has been suggested that they should abandon the manufacture of those kinds of articles not wanted and look to other fields. In this process of looking about for other fields and establishing the manufacture of different items, the automobile industry has every assistance—

Mr. Nesbitt: The minister and I are thinking of different sets of circumstances. I was referring only to a situation where the automobile manufacturer requires an integral part of a car, which I shall call X and which has to meet certain specifications, that can be produced either by a wholly-owned subsidiary or by an independent firm. In this case the independent firms are not permitted even to tender on the specifications required. The minister and I are thinking of different things. However, if the minister has used his good offices in this instance I hope he will continue to do so.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): With your permission, Mr. Speaker, I should like to direct a question to the hon. minister.

I listened very carefully to the objections raised by several members, to the effect that the house was not consulted beforehand about this agreement, that there was no committee set up.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Trois-Rivières is apparently rising to make a speech.

Mr. Mongrain: I apologize. I am just explaining my question to the minister; otherwish he may not understand my point.

Mr. Deputy Speaker: Order, please. I pointed out to the house when the Minister of Industry rose to speak that he would close the debate.

[Mr. Drury.]

• (2:40 p.m.)

Mr. Mongrain: I wish to put a question to the minister. I am not trying to raise an argument. I will make my intervention as short as possible. Would the minister consider setting up a committee to study amendments to this agreement between now and the end of the argument so that the house may be able to make some suggestions before it is renewed?

Mr. Drury: The principal responsibility for the administration of this agreement rests with the Department of Industry. There are a great many occasions for example, when the estimates of the Department of Industry are before one or other of the standing committees, when this matter can be raised. I would hope, of course, to have the views of hon. members on modifications to this agreement at the time of the review which is specified in the agreement and I will certainly give consideration to the best possible means of seeking the views of members of the house at the time of the contemplated review.

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

Some hon. Members: On division.

Motion agreed to on division.

BRETTON WOODS AGREEMENTS ACT

PROVISION FOR PAYMENT OF SUBSCRIPTIONS BY CANADA

Hon. C. M. Drury (for the Minister of Finance) moved that the house go into committee to consider Bill No. C-144, to amend the Bretton Woods Agreements Act.

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

On clause 1—*Payment of subscriptions out of C.R. fund.*

[*Translation*]

Mr. Chrétien: Mr. Chairman, I do not have any comments to make.

This bill has been fully considered in committee; experts of the Department of Finance and the Bank of Canada, and interested members participated very conscientiously to get information. Now, the bill was agreed to without amendment by the committee on finance, trade and economic affairs.

[*English*]

Mr. Lambert: Mr. Chairman, I should like to confirm what the parliamentary secretary has said. This bill was before the Standing Committee on Finance, Trade and Economic Affairs for two or three sessions. Advisers from the Bank of Canada, the World Bank and the Minister of Finance were present and the subject was canvassed at large. I think we are satisfied. If anyone wishes further information the reports of the committee are available. So far as we are concerned we are prepared to proceed right now without further commentary. The study has been made.

Mr. Douglas: The representatives of this party on the committee have gone over the material and listened to the witnesses. We are fully satisfied with the evidence which has been adduced and can see no need for further discussion now.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported and read the third time and passed.

SUPPLY

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

DEPARTMENT OF NATIONAL REVENUE

Customs and Excise—

1. General administration, operation and maintenance, including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from firms and individuals requiring special services, $49,278,000.

Mr. Benson: Mr. Chairman, knowing the time limit which the house has placed upon itself for dealing with all estimates in this chamber I do not intend to speak at any great length with respect to the Department of National Revenue.

I am now approaching my second year as minister of this particular department and this is the first time I have taken the time of the committee to make a general statement about the estimates. I should like to take this opportunity to commend the staff of the department and especially to commend the work which was done by the former deputy minister, Mr. Dave Sim, who left the department shortly after I became minister.

I believe the Department of National Revenue operates as efficiently as does any government department. The expenditure over the years—the cost of collecting money both in the customs and excise division and in the taxation division—has tended to decrease. I can give the committee an example of what is being done in the department in the field of income tax. In 1950 the department was handling 3,360,000 income tax returns. In 1965 this number had risen to 6.7 million tax returns; I am referring to both individual and corporate returns. In 1950 the permanent staff numbered 10,629. In 1965 it was 5,909.

In addition we employ a large temporary staff in connection with the computer operation used to deal with personal income tax returns. A good many hon. members have recently been out to see how we operate at this time of the year when millions of returns have to be dealt with and some 2,000 people are employed for a few months when the computer load is at its peak.

An interesting fact with respect to the taxation division—and this applies equally to the customs and excise division—is that it costs a good deal less today to collect $100 in taxation than it did only a few years ago. The collection cost per $100 amounted in 1950 to $2.16. In the 1965 fiscal year this cost had been reduced to 86 cents. Sometimes the efficiency of the department frightens me as a taxpayer.

• (2:50 p.m.)

I do not think I really wish to say much more with respect to the department other than there is a reorganization going on within it as a result of the Glassco report. We have been working toward this and during the coming year in the customs and excise division we shall open the first district office to deal with appraisal and rulings as distinct from the head office where all appraisal has been done in the past.

We are going to take the first step of this plan in London, Ontario. If it proves successful and operates efficiently, as I am sure it will, and provides better service to businesses in dealing with customs and excise matters, we would move on to establish similar offices in other parts of Canada. This will bring appraisal and rulings with regard to customs and excise much closer to the businessman in Canada and he will not have to go to the trouble of sending to Ottawa any time he wants a ruling. I shall be pleased to answer any questions hon. members have with respect to the estimates.

Mr. Lambert: Mr. Chairman, in limiting his remarks the minister has followed the good

example of one of his predecessors with whom I was associated for a number of years and who, on occasion, was even briefer than the present minister. Mind you, he also had a very efficient operation.

With respect to the figures the minister used regarding staff and improvement in staff, I think this has been a gradual process since the early years with the exception that with the development of technology within the last five years there has existed the possibility of a great reduction in temporary staff to process individual tax forms. This work is now concentrated in the processing centre especially built for the purposes of the department rather than as formerly in one of the ramshackle wartime buildings.

I propose to deal with a number of relatively minor points, and my colleague from Carleton also wishes to address himself to a number of matters.

One of the problems of the taxation division has been the difficulty in maintaining experienced assessors due to the improper classification of assessors within the civil service. The department was a training ground for accountants who, because of the limited pay and limited opportunity for advancement, were soon attracted elsewhere. The department trained many of them and many other people who also later went to work with outside organizations as tax advisers. I hope the minister can report that a more realistic approach has been taken toward assessors by the classification bureau and the pay research bureau.

These people are not merely accountants in the ordinary sense of the word. They have a tough job to do. One of the difficulties for the department is to have an inexperienced assessor coming up against the public. His job is not something that is learned overnight. I have always admired the tact and, from the accounting point of view, the skill of experienced assessors. The tax assessor or collector, by the very nature of his work, is not the most popular of men; yet much depends on his contacts with the taxpayer.

Exemptions for donations to charitable organizations have always been a knotty problem. I am glad to see this is now being placed on a rational basis in that any organization which will continue to enjoy the status of a charitable organization must report to the minister. There must be some control. This has created difficulties in some areas as a result of lack of experience. Church donations created the biggest problem but this is now being worked out, and I trust that in a short period there will be general acceptance of the practice that has been introduced.

The third item on which I wish to speak is really a budgetary matter, the correction of which would require a proposal from the Minister of Finance. I am speaking about the administration of estate tax, and this is not the first time I have spoken about it. I have advocated an extension of the six month period for payment of estate tax to something longer, and not within the limited exceptions that are at present permitted.

Perhaps the minister may be able to tell us about the result of the amendments made about five years ago to the Industrial Development Bank Act which were designed to alleviate the problem of the forced sale or fire sale of equity interests in Canadian companies in order to provide liquid funds to pay estate tax. Many Canadian companies have been lost to foreign ownership because the principal shareholder or shareholders had to liquidate holdings under pressure in order to provide for estate taxation. A good case can be made for widening the provisions of the act to allow time payments in appropriate cases of shares held by individuals in closely controlled companies so that the shares need not be sold.

I know there are differences of opinion on this matter, and for some reason or another the administration side of the estate tax division is reluctant to have these files continue open. However, I urge that this be done because it is one area in which we can assist in maintaining Canadian ownership of equity stock in Canadian companies.

It will be interesting to see how the proposed re-organization works out on the customs and excise side. In Edmonton it would simplify matters and cost less if the customs and excise branch facilities were concentrated within the new postal facilities. At present there is a shortage of prime government office space in the Edmonton federal building, and the customs and excise branch occupies prime ground floor space. So far as the public is concerned, however, it is quite inaccessible. The bus service is poor and I think there could be savings effected by a concentration of these facilities and staff in the new postal terminal building so as to minimize handling charges. These are all the remarks I should like to make at this time. I may have some further remarks on individual items.

• (3:00 p.m.)

The Deputy Chairman: The hon. member for Trois-Rivières.

(Translation)

Mr. Mongrain: Mr. Chairman, at the outset I wish to extend my most sincere thanks to the representatives of the New Democratic Party and the Railliement Créditiste who agreed to let me have the floor now because I must leave the house this afternoon for very serious reasons.

I would like to take this opportunity, Mr. Chairman, to say that the two independent members here appreciate the consideration which the house has shown them up to now in some trying circumstances. I see that respect for minorities has become a reality, possibly because some are saying to themselves that one of these days they might also be a minority. But, in any case, that respect exists, and I am very happy about it.

I hasten to add that I do not intend to take advantage of my colleagues' indulgence because I have only one thing to say.

All the more so, since I heard the minister tell us a little earlier that he was scared himself to see how efficient his department is. Imagine then how careful we must be ourselves if we must deal with that matter.

I would like to draw the minister's attention to one point. I get—and I think that other members do also—quite a lot of mail in which people complain about the way the minister's officials deal with the receipts for charitable donations. I know that it is an extremely difficult matter to settle. As a matter of fact, I had the opportunity to see that the minister takes that matter seriously, but I think that the standards that have been set are not realistic.

I even feel that to oblige the members of the clergy, of any denomination whatsoever, to give receipts for every donation, constitutes, in my opinion, interference in a field which should normally be surrounded with secrecy; by asking them to do that, we make their task much more difficult.

I saw myself lately income tax returns which had been sent back and in which large cuts had been made with regard to charitable donations, and it seems to me that those cuts are not always very realistic.

Would it not be possible to go back, within reasonable limits, to that practice—even if it was too generous in the past—of setting a percentage which would be allowed without receipts, because there are always charitable or welfare campaigns in our municipalities for which there is no opportunity of asking for receipts. There are all kinds of charitable organizations, card parties, public subscriptions, etc.

I am thinking in particular about the head of a large family with children of 16, 17, 18, 19, 20 and sometimes more who are still studying and whom he has to support financially. His charitable donations, which he pays himself, are multiplied by four, five, six and sometimes they are multiplied by ten. Then, when he asks why the amount he claimed for charitable donations has been reduced, he is given this answer: if you want us to accept your figures, send us receipts. That is not always practical, nor possible.

I think I am not the only one who will raise the matter in the house, but I believe that the minister should, if my suggestion is in order, set up some kind of special committee to consider that situation, which would give a hearing especially to representatives of all charitable organizations, bona fide social organizations, in short representatives of all religions who might have justified representations to make on that matter.

It has been alleged, Mr. Chairman, that the committees of the house are overworked, and that, consequently, it was useless to set up any more. I have my doubts about that. It may be that a few committees have too much work, but I believe there are others that are not overworked. I could mention two or three—three committees—I am on, where a meeting has not been called more than twice since the beginning of the session. These could surely work a little harder. The fact that some members are not overworked was demonstrated recently in a news report where it is said that some arrogant young members are threatening to start a revolution within their party. Well, it might be more profitable to keep them busy, say, in the field under discussion, the automobile industry, and it would be a good thing to set up a special committee for all concerned to discuss charitable donations.

That would provide an opportunity to consider, not donations or subscriptions of $10, $15, $20 or $25,000 for which it is easy to get a receipt, but rather to discuss the case of small wage earners who distribute their donations by quarters or dollar bills. Everyone knows that charitable campaigns are very popular. And the little man has to finance a

large family. In short, make a study of that kind.

I suggest it would be most appropriate to consider thoroughly the whole question, because it is settled in an arbitrary and summary fashion, and the taxpayer cannot help himself, because in most cases he is unable to get a receipt.

[*English*]

The Deputy Chairman: The hon. member for Kootenay West.

Mr. Herridge: Mr. Chairman, as is my usual custom, I will not detain the house for any length of time. I do wish, however, to take this opportunity to thank the minister for his courtesy and promptness in dealing with all matters which I have had the opportunity to bring to his attention. I might say that he has had one or two rather peculiar questions to deal with, which he has dealt with in a very satisfactory way from the point of view of the member for Kootenay West and the people of the constituency he represents.

I would like to thank also the headquarters staff in Ottawa and the regional and local staffs for their work which, shall I say, goes unsung so far as the people in this country are concerned because by its very nature it has to do with figures, taxation, and things of that sort which do not have a very glamourous appeal to the country. I think these people should be commended for their devotion to this type of work throughout the years and for their efficiency and accuracy.

I cannot let the remarks on these estimates go by without making reference to my old friend, Mr. David Sim, who has retired from his duties as deputy minister of customs and exise; he was very fond of the country which I represent, and any time he visited the Kootenays he took every opportunity to tell me how much he enjoyed the country and the people. I am sure all members of this house will wish him a long and happy retirement.

Some hon. Members: Hear, hear.

Mr. Herridge: I use the word "retirement" in the symbolic sense, because I am sure there will be plenty of opportunities for him still to serve Canada and the community in which he lives.

At the kind invitation of the minister, with other members I went to the headquarters here, where we were taken through the data centre and where we saw all the machines which are absolutely beyond my capacity to understand. I was brought up in a different generation. Some of my colleagues might say that it is quite beyond me. I am not one of the intellectuals. I went to the Data Centre as an old farmer looking at some of the great mechanical improvements of the 20th century.

It was very interesting when we went from the place where the letters came in to the place where we saw them processed through the various machines and finally saw either the refund cheques—I didn't see any great number of those—or the returns going back to the persons who had made their returns to the department. It was very interesting indeed. Personally I think many people in Canada are unaware of the developments within the income tax branch, in particular the new developments with regard to the processing of returns, collections, and so on. I think understanding brings co-operation, just as I have mentioned in respect of other spheres of government, and it would be a good idea to publish some in expensive pamphlet to provide the public of Canada with information as to what happens in the data centre from the time a letter is received until a reply is sent out, perhaps to include some appropriate photographs and so on.

• (3:10 p.m.)

I do not believe in getting something for nothing. I was not brought up on that philosophy and I have never found it to be a very successful way of life. It is my opinion that Canadians would be willing to pay 25 cents or 50 cents for a booklet of this type containing information in respect of income tax returns. A large number of people I am sure would then have a better idea of what is happening regarding the collection of income tax and would appreciate the developing and improved efficiency within the department as a result of improvements in machinery.

At the same time I think it would be advantageous to bring regional and local staffs to Ottawa whenever the opportunity presents itself. Having talked with individuals in local offices I am sure they are almost as ignorant about what happens around Ottawa as I was until I went through the division here a few days ago. Their conversations, approaches and language all indicate that they think in terms of what has been the practice in the past. It would be a good investment on the part of the department periodically to bring some of these regional and local officials here to Ottawa for one or

two day courses on the operations of the income tax collection branch.

Let me now turn to less interesting subjects, from the minister's point of view. I shall not try him to any great extent. I asked a question today of the Minister of Finance, but once again I was nipped in the bud by Mr. Speaker. I feel it is appropriate at this time to ask the minister how he can reconcile, from a philosophical point of view, the collection of sales tax on centennial projects which are being built entirely as a result of grants from federal, provincial and municipal governments. An answer would be very interesting because it looks as though government funds are subject to taxation.

Every possible precaution should be taken to make sure that a thorough examination is made before any organization is given the right to issue receipts for income tax purposes on the basis of charitable or religious donations. This practice should not be extended beyond the intents and purposes of the Income Tax Act, and inquiries should be made when officials of the department do not have the information that should be available to them. There should be a strict insistence that proof of receipts for charitable and religious donations for income tax purposes must be provided.

The province of Alberta has made some rather drastic changes in its estate tax laws. I do not know whether that province is leading the way, but we in British Columbia look forward hopefully to enjoying the same advantage. Because of the changing practices that exist in various provinces, it is time the Minister of National Revenue made a review of this whole estate tax field. Federal practices in this regard should be fair and just in comparison to legislation that is being given effect to in the various provinces.

Having made those few remarks, Mr. Chairman, I shall now take my seat so that other members who wish to instruct and advise the minister will have an opportunity of doing so.

[*Translation*]

Mr. Caouette: Mr. Chairman, I have just a few comments to make on the estimates now before us, the estimates of the Department of National Revenue.

I fully agree with the statements of the hon. member for Trois-Rivières (Mr. Mongrain) on charitable donations. For four years now we have been insisting every time these estimates were before us, on overall legislation to cover charitable donations in a uniform manner all across Canada.

The law now provides that a taxpayer is entitled to donate up to 10 per cent of his net income and claim a deduction for that same amount. Now, in every case submitted to us in the past few years, most taxpayers who have complained to me claimed exemptions around 6 or 7 per cent of their income.

In nearly 90 per cent of these cases, the officials of the Department of National Revenue did not allow these claims, did not accept the exemptions claimed, or they granted the taxayers an exemption from $100 to $150, to which any taxpayer is entitled.

Now, if usages and customs of the officials of the Revenue Department are not to accept these receipts or these claims for charitable donations, it should be so stated in the house and not proceeded with secretly, in an underhanded way, as hypocrites, to make people believe that the Income Tax Act, as far as charitable donations are concerned, is generous to the Canadians who are making these donations to charitable institutions.

Mr. Chairman, the minister is well aware of the situation. I would suggest that the act be made uniform. Instead of saying that a taxpayer is entitled to give up to 10 per cent of his income for charitable donations, if it is felt that 10 per cent is too high, this should be reduced to 5 or 6 per cent, but it should be the same for all, for the whole population, so that everyone would be entitled to it. At present, everyone is not entitled to it. First, I note that the exemptions of $200 to $250 are not allowed this year.

• (3:20 p.m.)

Furthermore, I am told that from now on those charitable organizations must be recognized by the federal government.

But the legislation is not clear on that point. Will parish priests have to apply for a licence? Will they be given a collar to wear around their neck when they are issued a licence authorizing them to receive charitable donations? How does the government intend to apply that legislation? What does he mean by organizations recognized by the federal government? What will have to be done to be recognized? That is with regard to donations to charitable organizations.

Mr. Chairman, charitable donations are not made only in rectories. They are made outside also, for instance, to the Red Cross, any welfare association in a parish, the Boy Scouts or any tag day or apple sale. I think that people who give $1, $2 or $5 on such

occasions are making charitable donations. Social clubs, such as the Richelieu, Rotary and Kiwanis clubs who work for underprivileged children, the poor, are charitable organizations—I am sure of that—but such receipts are not accepted. The money given to those people is not allowed. I think that the Income Tax Act is impossible to understand and can be taken to mean this or that, so that everyone is at sea. Even the minister does not understand the situation and we tolerate such administration.

With regard to another matter, I must say that for four years I have been asking the Minister of National Revenue to allow workers to deduct from their income the money spent to buy the tools they need for their work in any industry whatsoever. For instance, a mechanic should be allowed to deduct from his total income the cost of the tools he needs to work at his trade, and the same privilege should be given to construction workers, carpenters, woodworkers. Nothing is being done. There is discrimination there.

A doctor who buys office equipment, instruments, lancets to operate, can deduct such expenditures from his income, because it is considered that he needs them to practise his profession. But workers, carpenters, woodworkers, mechanics also have the right to purchase tools to work at their trade.

Why is such discrimination practised against the workers, against those who earn their living as honestly as any doctor or lawyer? And yet the doctor or the lawyer has the right to deduct from his income expenditures made to purchase office equipment or instruments.

Another thing. A doctor who must make visits, has an office 50 miles away and must travel by car, has the right to deduct his travelling expenses to practise his profession outside his house.

Strangely enough, a workman using his car in his work, in any industry, is not allowed to deduct travelling expenses from his revenue. He is told it is a normal means of transport. Is it not the same for a lawyer or a doctor? Why is this not considered by the Minister of National Revenue? These are facts and, in many cases, the income tax department makes arbitrary decisions concerning citizens as responsible as those allowed an income tax exemption or deduction.

Mr. Chairman, we have also called the minister's attention to the basic exemptions, from the income tax point of view. At the moment, the government allows an exemption of $1,000 for single people and $2,000 for married people. We have been suggesting for a long time that this be increased to $2,500 and $5,000 respectively. Since taxes are necessary, let us tax those who have the means to pay and not those who do not.

There are, in Canada, United States industries and Americans who make money out of our natural resources and pay nothing or next to nothing to the Canadian government for their operations. These are the people who should fill the pockets of the Minister of National Revenue instead of the workers, the miners, the small settlers, the farmers, ordinary people who work developing our resources for the benefit of foreigners. Why not tax those who have the means, those who benefit most from the development of our natural resources, instead of taxing those who work like mercenaries for foreigners in Canada.

I understand the Minister of National Revenue has a huge income in comparison to his expenditures which are not too high. We are asked to give him a further $94,565,800, increasing his revenue to something like $9 billion. The administrative expenses of this department are not excessive.

Before resuming my seat, however, I should like to draw the attention of the minister to another point. Last March 23, the hon. member for New Westminster (Mr. Mather) asked the government what its revenue was from the sale of liquor, lager, ale, spirits and wine. According to the minister's answer, in 1965 lager brought in $106,394,832 in excise duties, spirits $145,268,424, and wine $4,204,677, for a grand total of $225,867,933. Furthermore, from January to October 1965 only, liquor imports brought in $27,668,505 in customs duties. Thus excise and customs duties together brought in a total of 252 million. A note at the bottom of the answer on page 3047 of *Hansard* for March 23, 1966 says:

> Above revenue figures do not include the 11 per cent federal sales tax which also applies but is not identifiable with specific commodities.

Mr. Chairman, imagine an 11 per cent tax on the sales total. What a fantastic sum this tax must bring the Department of National Revenue.

In answer to the question of the hon. member for New Westminster who wanted to know whether the government was spending money to encourage public temperance and

support programs fighting against alcoholism, the government said:

> Insofar as the Department of National Health and Welfare is concerned, expenditure on promotion of temperance and supporting anti-alcoholic programs was nil.

We make tremendous expenditures to enlarge hospitals and to cure sick people, for instance, and this is in order. But nothing to educate the people. This is what I want to emphasize. I realize that it is perhaps not for the Department of National Revenue to decide on broadcasts over the C.B.C., but I would ask the minister, who perhaps gets $500 or $600 million a year from alcoholic beverage consumption alone, to impress on his colleagues that they should urge the government to have the C.B.C. provide free time so as to educate our younger people, and adults too, on the importance of temperance in Canada.

Mr. Chairman, I know that it is not the Department of National Revenue which will decide on such programs, but I wanted to point out to the house on how profitable the consumption or sale of alcoholic beverages in Canada is for the Department of National Revenue.

As far as the expenditures of this department are concerned, as I said, they are not excessive, as compared to the income which pours into the coffers of the said department.

In conclusion, I should like to repeat that, for instance, the section of the act governing charitable donations should be applied uniformly so that all Canadians without exception might be treated the same without any discrimination. This is the first point.

Second point: Our workers should be entitled to deduct from their income the cost of the equipment used in their profession.

Third point: Travelling expenses of workers being transferred, whether they use their own car or public transportation facilities, as in the case of doctors, lawyers, engineers or any other social class should be deductible.

Finally, we ask that basic exemptions be increased from $1,000 to $2,000 for unmarried persons and from $2,500 to $5,000 for married people and heads of families.

If such significant basic exemptions are granted to our workers, then the government will be able to claim that it has rendered a service, not only to one class of society, but to the whole country, because, in the final analysis, if workers have more money to spend, it is obvious that a large part of this money will return to the national treasury, since taxes are collected at every level of the Canadian economy.

The minister should consider this. Every year, he promises to do so, but once the year is over, he fails to keep his promises and to look effectively into the problem so as to achieve results.

Mr. Chairman, I sincerely believe that the Income Tax Act can be adjusted and adapted to the needs of the Canadian people, instead of taking advantage of them as at present.

Let this act be amended so as to deal fairly with the little people as well as the rich and vice versa, but let everyone be treated fairly.

• (3:30 p.m.)

[*English*]

Mr. Bell (Carleton): Mr. Chairman, 32 years ago next month I started my first job, that of assistant private secretary to the then minister of national revenue. Since that time I have had what might be described as a filial feeling for the department and a most sympathetic understanding of the dedicated public servants who make up its staff. Consequently, to participate briefly in discussion of these estimates brings some nostalgic memories.

The hon. member for Kootenay West has mentioned that this is the first time the estimates of the department have been presented to the committee since the retirement of David Sim, the former deputy minister for customs and excise. To members of this house of all parties, Dave Sim, for many years the dean of deputies, was a model and an example to all public servants. I say to you, sir, that Canada has never had a more devoted, knowledgeable, impartial and intelligent deputy minister, and certainly not one so understanding and responsive to the role of parliament and of members of parliament. May I add that the department and the country is exceedingly fortunate in his successor, Ray Labarge. Neither has suffered from his early training in association with this House of Commons.

There are several matters, sir, which I should like to raise with the minister, matters diverse in nature, but each of significance to taxpayers generally, and most of which will relate to the taxation division. The minister is aware of my very grave concern about the lack of provision for refund or rebate of overpaid employers' contributions collected by the department under the Canada Pension Plan. These overpayments may arise in a number of ways. For example, wherever a

person receives an emolument from more than one employer, there will be overpayment. A member of parliament who receives a stipend or emolument from another source or sources will pay twice or more, and he may recover his share of the overpayment, but the payer may not.

Just this morning, sir, I talked with one man who now has Canada Pension Plan contributions deducted by 13 companies with which he is associated. He himself can get back the 12 overpayments which represent his share, but these companies are unable to recoup anything.

In the construction industry an employee might easily work for several employers during the one year and the extent of overpayment could be very serious indeed. Employers are entitled also to a refund when the employee fails to earn the minimum $600 for the year, or where an employee does not receive credit for the full $600 exemption.

I submit that the minister has taken a very casual approach to this problem. In answer to a question by the hon. member for Wellington South on March 16, as reported at page 2777 of *Hansard*, he was very cryptic indeed and not a little arbitrary. I say, Mr. Chairman, that it would be morally wrong for any individual to accept these overpayments and decline to make refunds or rebates and it is no less morally wrong for the government of Canada. If a private corporation converted funds to its own use, it would be charged in the courts. The government ought not to hide behind its immunity, while converting and misappropriating funds to which it has no moral right whatsoever.

I am not at all impressed by the suggestion that in the United States they have been unable to work out a system of refunds of employer overpayments. I say that it must be within the wit of the officials of the Department of National Revenue to work out a system without invading the privacy of the individual taxpayer. If the minister has a genuine desire to solve the problem, it can be solved. I believe the government of Canada must not be a party to conduct so immoral, so unjustified, that it would amount to conversion if it were done by a private citizen. Let the minister achieve the will to end this unjustified conversion by the government of funds which belong to the taxpayers, and a settlement of the problem can be achieved.

Now, Mr. Chairman, one of the minor irritations for which the present minister is directly responsible is the growing insistence upon payment by certified cheque. During the past 18 months I have heard more taxpayers complain about this than about the amount of tax they pay. In my view this is simply administrative arbitrariness and personally I believe it is without colour of right. I know of nothing in the Bills of Exchange Act or any other act which enables the creditor, in the absence of some consensual arrangement, to insist that a debt be paid in any particular way. I say the practice of the department of sending back uncertified cheques has no basis in law and should stop. I see the minister shakes his head. Let him examine his forms. The practice in my view is impeding payment rather than facilitating it. The minister's tidy accountant's mind is simply self-defeating. I do not believe that the taxpayers like to be told that they should go to their bank to arrange payment. The taxpayer, in my view, has the right to pay however he likes and he should not be shoved around by the minister.

Then, sir, I should like to draw attention to an answer made to a question of mine on Wednesday, May 4, as it appears in *Hansard* at page 4688. The question is this:

1. Will it be the practice of the Department of National Revenue to include the commuted value of a survivor's pension under the Canada Pension Plan in determining the value of a deceased estate for estate tax purposes?

The answer to this question is:

Yes, under the provisions of the Estate Tax Act as they now are.

The second question is:

2. If so, upon what basis or principle will the commuted value be determined?

The answer is:

The pensions will be calculated, as far as possible, in accordance with existing regulations and tables.

The third question is:

• (3:40 p.m.)

3. Will the government consider an amendment to the Estate Tax Act exempting payments made pursuant to the Canada Pension Plan from estates tax?

Of course, I got the answer which I expected I would get. The answer is that "this is a matter of government policy and if any changes are to be proposed in the Estate Tax Act, they will be announced at the appropriate time". I recognize that this is partly a policy matter and therefore primarily under the jurisdiction of the Minister of Finance. However, I think it is proper to say at this time that the inclusion of the commuted

value of survivor's pension under the Canada Pension Plan will frustrate a great deal of estate planning heretofore done. All persons would be well advised to re-examine their testamentary arrangements. Personally, I believe the tax revenue from this source will be relatively minor, having regard to the major nuisance to the crown and to the taxpayers. I, personally, would urge the Minister of National Revenue and the Minister of Finance to consider the total exemption of the commuted value of the Canada Pension Plan payments for estate tax purposes.

I have one further word about the estate tax. The present exemptions, in my submission, are obviously out of date and wholly obsolete. All costs have risen steeply since these rates of exemption were established. The exemptions today represent nothing like the value they did when they were established. Ontario has recently raised the widow's exemption to $75,000. I submit that this is the barest of minimums the government should now propose, and propose at this session of parliament. Personally, I believe the exemption should be considerably higher. May I submit, sir, that the same comments I have made may be appropriately applied as well to the provisions for exemption in relation to the gift tax of either $4,000 or one half of the difference between income and income tax payable and as well in relation to the once-in-a lifetime gift of a total of $14,000.

When the minister replies, Mr. Chairman, I should like him to give the committee some indication of the manner in which the tax collection arrangements with the provinces are now working out. Is he in a position to estimate the cost to the federal treasury of the services performed for the provinces? If so, would he tell the committee what that cost is? Are the provinces satisfied with the arrangements? Have there been any discussions about amended arrangements? If so, what was the nature of the discussions which have taken place?

Since we are so close to April 30, sir, one could hardly avoid saying a word about the complexity of the income tax returns. I think they have become a statistician's nightmare. I appreciate the problem of the Minister of National Revenue when the fault is really that of the Minister of Finance, who is making our tax structure so complex and so unwieldy. But the collection process in my view is likely to break down unless we can simplify the tax returns. I wonder if the minister, when he replies, will share with the committee his views on this matter One would hope that one salutary result of the Carter commission would be a less complex tax structure and much simplified tax forms. I feel we cannot simply go on and on putting more and more detail in tax forms which intelligent and thoughtful citizens have great difficulty in understanding.

In his initial statement, the minister made some comments with regard to the cost of collection of various taxes and duties. I think perhaps he should put on the record rather more detailed information as to the trend over, say, the last five years of the cost of collection of these various taxes and duties in the various sections of his department.

Then, sir, I should like the minister, if he would, to report to the committee upon the action taken to implement a proposal made in the Budget speech of April 26, 1965 when the hon. member for Davenport said, as reported in *Hansard* at page 436:

> An important tax concession will also be provided to encourage industry to take new steps to prevent the waste products from their operations polluting our streams and lakes. This will take the form of an amendment to the Income Tax Regulations to permit capital expenditures made until the end of 1966 by businesses primarily for the purpose of preventing water pollution to be deducted at the rate of 50 per cent. This provision will also be reviewed following the report of the Royal Commission on Taxation and after we have the results of studies being made of the problems of pollution and the means of dealing with them.

I should like to ask the minister when these regulations were put into effect? If they have been, what is their nature? The last time I made a detailed inquiry, which was, I believe, in February of this year, they had not been put into effect. Yesterday, we witnessed, from the lips of the Minister of Mines and Technical Surveys, the cynicism and indolence of the present cabinet in respect of the enormous problem of water pollution. He indicated all this government wants to do is to educate where, in effect, no education is necessary. What they really want to do is to avoid the issue, remain inactive, remain complacent, in so far as that project is concerned.

Then, I should like to ask the minister if he has any plans to extend this scheme concerning capital cost provisions for water pollution to similar outlays to prevent pollution in the air, and in the waters of our ocean harbours. I ask him, what action has he taken? Will he report to the committee in respect thereof?

I think all of us in this committee recognize that the tax collector can never be a popular figure. In Canada I think we are fortunate in the integrity of our Department of National Revenue and in the quality of its staff. Such strictures as I may have are exclusively for the minister. I want, in conclusion, to suggest to him that he do not allow his new, added important duties as President of the Treasury Board to dilute the very major administrative responsibilities which he has as Minister of National Revenue.

Mr. Johnston: When I rose to speak a few minutes ago, I did not realize that the thoughts in my mind would have been paralleled so exactly by the member who has just sat down. However, I feel that the reiteration of some of these points will not be out of place at all. I should like to thank the Minister of National Revenue for his kind invitation to visit the data processing centre the other day. I had to decline the invitation because I was meeting a delegation of farmers at that time. I trust that the interests of that group will always be very high on my list of priorities.

The points I should like to raise are these: Having just recently completed my own income tax form, I was distressed at the tendency to increase the complexity of the form. I really do not see why the form cannot simply say of the provinces and of the federal government, "This is their tax", rather than getting involved in pretending that something is being handed back to us because the province has already taken it away from us.

We do not really expect gifts from the tax department. I do not believe the department should, in its forms, suggest this is what is happening. I have my suspicion that the forms for next year, following the Budget which was recently presented, will be even more complex, as a much greater effort is made to suggest that the income tax has not really been increased, but somehow we are not being given back quite as much as was the case last year. I am sure if I had visited the data processing centre I would have been made aware of the tremendous efficiency being built into our tax collection system. I did question the total result of that efficiency, though, when I received a complaint that refunds which were acknowledged last December have not yet been paid. It seems to me the revenue department might send along interest on any refunds held for a period longer than three months.

[Mr. Bell (Carleton).]

• (3:50 p.m.)

It is the practice of the income tax branch to charge interest if there is a delay. As the machinery becomes more effective, if there are cases where, for unusual reasons, the refund is delayed for more than a normal period of time, then I submit that the taxation branch should have the same consideration for the people to whom it owes money as those people have with respect to the department when they owe money to it.

One of the points raised by the delegation of farmers was a plea that the minimum of estate taxable be raised to $100,000. I suggested to them that they might advocate the complete abandonment of the estate tax concept I have always considered that to be iniquitous, especially when it is applied to the estate of a farmer who has spent a lifetime in building up a farm. Farming does not lend itself to get-rich-quick schemes or to shady practices. The value of a farm is usually accumulated very slowly and painfully over long years of enormous toil. Then, at the end of that time to have the whole future of the farm, as a unit, jeopardized because through rapidly increasing prices of land the farm becomes an estate, I think is unfair.

Despite the fact that all monies earned on the farm throughout the years have been taxed, and taxes have been paid on everything that has gone into the farm, the estate tax nevertheless is levied. The process of handing down farms from generation to generation is jeopardized by this tax. The desire of agricultural departments to propagate paying and functioning farm units is also jeopardized. Through the estate tax there is a tendency for viable farm units to be broken up at the time the original owner dies.

In this connection I think that the Alberta government has taken a lead in its proposals to reduce or totally eliminate estate taxes, if the federal government co-operates. I hope the minister and his department in the government will give this matter the fullest and most careful consideration, and that he will look at the estate tax picture as it applies to agriculture. There is not much point in waging a war on poverty if we remove incentive from farm people to form farms that will be units of some value.

The last point I wish to raise, and raise very strongly—and I reiterate the words of the previous speaker—is the point regarding the

Canada Pension Plan, and especially the requirements that require the employer to contribute and that allow a refund of the contributions respecting employees who have earned less than $600 per annum.

The minister in his letter of April 4 points out:

> The plan does not provide for a refund of an overpayment to an employer who has made contributions as required on pensionable remuneration paid to an employee.

Here again the principle is important, although the present procedure is wrong from the word go. By failing to refund overpayments the plan strikes particularly at the tourist industry in a province such as British Columbia, where there is a short season and where many employees are hired for the minimum period. Many employees do not earn the $600 per annum, because of the extreme shortness of the season.

This is happening at a time when both provincial and federal governments are urging the development of every facility in order to provide for the vastly increased number of tourists who will come to Canada. I think it important that the plan be revised as quickly as possible in order to allow refunds. The letter from the minister goes on to say:

> During the initial period of the operation of the plan we intend to observe how the various provisions work out in practice. After this period of observation we shall be in a better position to consider any amendments that may be appropriate.

However, we know that the concept is wrong. The refund is not paid. Yet, if the employer fails to make a contribution, then the entire weight of the Department of National Revenue is brought to bear on him. If his contribution is delayed, interest is charged. The Department of National Revenue makes very sure that it collects these payments from business people very quickly. I do not at all see why, if the department over-collects, it should not then be obligated to refund this amount. If you are considering only one employee, the refund may seem small. However, it would not take a very large business to have ten employees. During the height of the tourist season a small employer may often employ that many persons. An overpayment for each one of them would mount up. It is wrong that this is not refunded. The employer who has his own business, by the nature of the plan is forced to pay the entire contribution. He also pays to the plan half the contribution of all his employees. On top of that we ask him to subsidize the plan by a further gift, through the overpayment with respect to the employees.

I do not believe that we are in any way justified in asking individuals in this country to subsidize the plan for the rest of us. I urge the minister to give this matter his most urgent and his most careful consideration.

Mr. Baldwin: Mr. Chairman, I have a very brief comment to make on these estimates. I want to deal with a matter I raised last when the then Minister of Finance introduced the amendments to the Income Tax Act. I particularly want to deal with the amendment which provided for the first time that a farmer could claim a deduction for clearing land.

I welcomed that at the time. By reading the amendments I was struck, by the idea that there might be some difficulty in interpretation, and that some farmers, as well as those people who help them file income tax returns, might be confused when the returns are made out. This has been confirmed, because I have had one or two letters on the point. The issue has arisen. I might add that I hope the minister when he replies will be kind enough to indicate answers to my questions.

• (4:00 p.m.)

Can the words "for clearing" be interpreted to include or to cover the debrushing of land, the cultivation of the land and also the breaking of the land? The word "clearing" still has a distinct connotation in my part of the country, one of the last parts left where homesteading remains fairly active. In the last four or five years several thousand new homesteaders have come in and most of them have been obliged to clear the land on which they settle. The brush has to be taken off and the ground has to be broken and brought under cultivation before any revenue can be expected. So this is an important matter. These people who take on the formidable task of clearing the land and making it suitable for cultivation are surely entitled to the full benefit of the widest interpretation of this section. It used to be said in my part of Canada that pioneering of this kind needed a strong back and a weak head. Possibly it would be said by some of my constituents that at least the last half of that formula could apply to me. Be that as it may, I should be grateful if the minister could look into this question, consider the proposition I have made, and give me an answer.

After the clearing of the land has been completed it takes two or three years before

any revenue can be expected. I would hope that by averaging income, or by giving farmers a right to select a particular year as the year in which a deduction would be claimed, an arrangement could be arrived at of some benefit to those who find themselves in the position I have described. I would ask the minister to give some thought to this problem.

Mr. McCleave: The question I wish to raise can be briefly stated. I realize that the Minister of Finance is the minister directly responsible for the Income Tax Act; but what I have in mind also relates to the collection of income tax, which is the somewhat more grisly occupation of the Minister of National Revenue. It would be in his department that most difficulties of this type would be directed, and I am sure a considerable correspondence exists in the department on this subject.

This matter was reported to me by a man in my own area whose wife was confined to hospital for two months last year. Since there are three small children it was necessary for outside help to be engaged to carry on housekeeping. If this woman had been ill at home and if a nurse or a nursing assistant had been employed to look after her, it seems clear under the income tax regulations that the man would have been allowed tax relief by way of deduction in respect of the money so spent. But the wife was in hospital during a time he had to employ a housekeeper.

It may be possible to draw a fine distinction between a woman being cared for in hospital and a woman being cared for in her own home. But I do not think such a line does, in fact, exist. It must have been a comfort to this woman to know that her children were being properly cared for in her absence. It must also have been a great help to the homeowner. But the department, as it is bound to do, advised the man that he could not make a claim in respect of the housekeeper when filing his income tax return. I suggest that probably hundreds of Canadians are involved each year in situations such as this, and that it is worth considering whether some tax relief could not be afforded in such cases.

Mrs. MacInnis (Vancouver-Kingsway): I wish to raise two points. The first has to do with a matter I raised earlier in the session—Canadian employees of foreign embassies in Canada who are not eligible to join the Canada Pension Plan. Earlier this session I asked why such people could not enter the plan as self-employed persons paying the whole assessment themselves, and the Minister of National Revenue promised to look into the matter.

I have been approached by an employee of one of the foreign embassies in Canada. She is a native born Canadian and she feels she is being discriminated against in her own country. She is willing to be classed as a self-employed person, but she does feel that though she works for a foreign employer she should have the right to come under the provisions of the pension plan. A number of other Canadians are in a similar position. They feel that ways and means should be found to enable them to enrol in this plan, particularly since they are working in their own native country.

The other matter I wish to raise concerns this question: When is an employer not an employer? The answer appears to be: When she is a woman. I have had many cases brought to my attention of women who are working outside the home but who are classified as employers in connection with the Canada Pension Plan. They have to pay the assessment of 1.8 per cent on behalf of their household help.

Let me give the committee details of one of these cases. Here is a woman, married with two children. Her husband is working and she, too, is working outside her home. From her salary she pays her housekeeper $135 a month. Of course she has also to pay the contribution of 1.8 per cent on the housekeeper's account. She is taxed at the single rate, so she pays about $80 a month in income tax. Under the Canada Pension Plan she is called an employer; yet she is not allowed to be an employer under the Income Tax Act.

This woman points out that under the Income Tax Act employers are allowed deductions for expenses of all kinds. The expense involved in paying a housekeeper is an essential one in the case I have just mentioned, because the woman cannot go to work unless she has household help in looking after her husband and the two children, who still need care at home. I am sure the minister will remember the representations from delegations of women from coast to coast urging that a deduction ought to be permitted in cases such as this to professional women doing work outside the home.

• (4:10 p.m.)

I suggest this discrimination is most unfair. It means that the government is still thinking in terms of an economy when most women

were in the home working, and their husbands salaries and expenses were the only things that had to be taken into account. Now more than a quarter of the married women are gainfully employed outside their homes, and by 1970 that figure will rise to half the married women.

I have no intention of raising the whole question of allowances for help within the home. It is something I should raise on the proper budget resolution. The only reason I raise this particular matter, however, is that I feel it comes under the Minister of National Revenue, since collections for the Canada Pension Plan fall under his jurisdiction. I would most earnestly ask that he try to find ways and means, which apparently the Minister of Finance was not able to do, to correct this situation. I think the minister could find ways and means to provide that a woman, who is declared an employer under the Canada Pension Plan, is also declared an employer under the Income Tax Act, so that she may not be discriminated against, and may have the right to list her expenses of employment in the same way that any male employer is permitted to do in connection with his income tax.

Mr. Pugh: Mr. Chairman, my interest is in Hal Banks and his income tax payments. I have asked questions about this previously and at one time was assured that in Quebec a hypothecate had been put on certain property of his. Since he has departed from Canada I want to be sure that a plaster was put on his property to cover any income tax he had to pay to Canada. I understand there is a question as to his status as a Canadian citizen for income tax purposes. Did he file his returns up to the time he left? Has he paid his taxes? If he has not filed a return has the government taken steps to assess the amount due and owing and, having done so, has the government relied on the hypothecate placed in the province of Quebec?

Mr. Brewin: Mr. Chairman, the hon. member for Carleton has already raised the matter about which I wish to speak, and if a remedy for the situation could be effected I think the public image of the government would be improved, an objective no doubt close to the minister's heart. The problem is the delay in making rebates in cases of deductions at source, where overpayments have been made to the department.

I have in mind a particular case about which I have written to the minister, although he may not yet have received my letter. I am sure however that in his usual efficient manner he will have somebody look into it. It concerns a man who was employed by the city of Toronto and was injured in an accident in 1964. As a result, he was able to work for only eight months in 1965 and had to cash in on a private pension plan. From the payment made to him under the pension plan over $200 was deducted, which eventually will come back to him. In addition, from his income nearly $180 extra was deducted, so that the government owes him something in the neighbourhood of $400. He filed his return in February and has not heard a word about it since.

The minister may tell me that this sort of delay is inevitable, and that the mechanical system now used cannot ensure a more rapid return. But when the ordinary taxpayer owes the government money he gets plenty of letters telling him what will happen to him. If it is overdue he has to pay interest. But where the reverse situation obtains there is not the same speed, and a sum of $350 is a lot of money to a man with a modest income. This particular case is only an illustration of many complaints I have received. In the interests of good public relations, if rebates can be speeded up, then this ought to be done.

Mr. Fairweather: Mr. Chairman, it has been my privilege to work with the regional offices and I have always found the officials to be understanding and extremely helpful. But now, with the new tax data centre, or whatever it is called, it seems that the god of efficiency is being worshipped in place of—if there is one—the god of humanity. The minister shakes his head.

However, I have discussed this problem with many of the minister's officials in various regions who have an idea that the tax data centre does not really pay for itself and that the old system—here I am, a Tory, talking about the old system—the old system of employing people for three months of the year to process returns and authorize rebates was, believe it or not, more efficient and quicker than the present system operated by the processing centre. I would like to know whether it costs the government more money now to collect taxes than it did under the old system?

Mr. Benson: Mr. Chairman, I believe in my opening statement I gave statistics indicating the great decrease in costs and in the number of employees over the past several years.

Mr. Fairweather: I regret I have not been able to follow all of this afternoon's proceedings, as I was otherwise engaged, but that is wonderful news: We have saved money. I am still not sure, however, that the human aspect has been preserved. That is a matter of judgment between the minister and those who are in consultation with the taxpayer.

I do not believe the cliché—and I say this sincerely—that the government is just gobbling up things indiscriminately. I bring this question up because of the very good relationships the taxpayer has had when the basis was a regional one, and not a centralized machine. In the coal mining area of Minto and Chapman in New Brunswick, for many years the minister's department allowed a reasonable deduction for miners' clothing and lamps and other necessities. Just two years ago, I believe, this deduction was withdrawn. I have brought this matter to the attention of the Minister of Finance, and I now bring it to the attention of the Minister of National Revenue. There has been no diminution in respect of the expense the coal miners have in furnishing themselves with this equipment. I would hope that the minister would look into this problem to see whether it is possible to restore the deduction. I believe the allowance was an amount of a couple of hundred dollars a year; it is not a huge amount from the standpoint of the government, but it is a sizeable amount to the taxpayer.

• (4:20 p.m.)

While I am on this subject, it always has intrigued me why the professional man—the lawyer, the doctor, and so on—is able to deduct in various ways either his library or medical equipment, and yet the government discriminates against a person such as a motor mechanic when he offers himself for work, or is self-employed by preference, and chooses to use his own tools. This is an administrative problem which could be overcome instantaneously, if the minister would snap his fingers. He is a man of ability and somebody said a man of humanity. Will he extend this exemption to motor mechanics who are engaged in their lawful occupation?

Perhaps my next question already has been answered, and if so I shall sit down. However I should like to know the average number of tax appeals, say in the last five years. If that is a toughy, let us make it three years; I am easy, too. I should like to know the percentage of overpayments of tax and the percentage of underpayments. There is a most interesting analysis of this in a recent issue of the *Reporter* in so far as these statistics apply to the United States. I should like to have them for Canada.

I remember that some time ago when the act was amended to provide ease and cheapness of appeal procedures, this matter met with great approval across the country. I should like to know how many appeals there are and whether, in the minister's opinion, the appeal procedure is as simple and as cheap as it might be. If not, might I suggest the establishment of regional appeal boards—and here I am back in the regions, and the minister will not like this, although it is one area I like—so that appeals can be handled with a minimum of expense and inconvenience to the public.

Lastly may I remind the minister, although I do not think he needs reminding that, after all, the government is a government of laws and not of men. This cliché has been stated many times, but I think we have an obligation to repeat it: No citizen ever should be at the mercy of the official. That is the role we should play as members. We should see that there are—and I hope the minister can tell me there are—efficient and reasonable remedies for the citizen when he feels aggrieved.

Mr. Monteith: Mr. Chairman, I shall be very brief. Following the comments of the hon. member for Carleton, I should like to add a word or two. This of course concerns deductions by employers on behalf of employees, and also the matter of the deductions not being refundable in the case of dual employment, and so on. He mentioned the case of one gentleman who was having deductions made by 13 employers. This, I agree, probably is an exceptional case. I should like primarily, however, to bring to the attention of the committee the construction industry, where possibly many people fill the same position over the term of a year. Deductions must be made from each one, and where that person has worked a sufficient length of time in other positions as well, his pension will be overpaid by the employer, or several employers, but not the employee. In the case of the employee it is refundable.

My comments go back to the time when the Canada Pension Plan was before the committee, and I recall this question being raised. If

I am mistaken, I will be glad to be corrected; but I am quite sure the reply we were given to our queries, concerning why this procedure was being followed and why no rebate of overpayments of deductions could be made to the employer, was to the effect that the United States never had found a way, that this was the procedure in the United States, and their plan had been in force since 1934, 1935, 1936, or something like that. We were told they never had found a way to make these overdeductions refundable.

I think this goes back to the horse and buggy days. I recall following my profession for many years at a time when certain practices were considered to be difficult. But in these days, with the electronic computer and all this other modern equipment, I cannot see any reason why some way should not be devised to compute these overpayments by employers, and as a consequence make them refundable. I believe at that time the answer was to the effect also that these overpayments were taken into the actuarial calculations of plan; but, to me, this does not seem to be sufficient reason to justify these overpayments.

• (4:30 p.m.)

[*Translation*]

Mr. Latulippe: Mr. Chairman, I will not take too much time. I simply want to share my impressions on the income tax form.

I believe this form should be redesigned, because as it now stands, it entails certain inequities.

First, there are two forms: one for individuals and one for institutions and corporations. Why two forms? Why not make them more simple and combine them into one? Only one form, so that everyone would be on the same footing. If there are now different classes in society who enjoy some protection from the Department of National Revenue, that is not equitable. It is not fair. If some citizens are paying too much tax while others are not paying enough, let us have an adequate form and let it be used by everyone and let everyone be treated on the same footing.

It is not because I am in favor of taxes. On the contrary, deep in my mind I think taxes are robbery, and the way in which they are collected from the individuals is depriving them of the purchasing power they need for their livelihood. Some people who pay their taxes are unable to pay their debts. And it is considered normal to make them pay their taxes and to leave their debts outstanding.

There are small companies and small industries that have paid a lot of taxes and that are unable to meet their debts, while some large companies have a certain separate tax and pay less, and they are entitled to build up reserves, declared and undeclared reserves. They are not overly bothered, those reserves are not declared. In addition, there are four or five kinds of reserves, allowing these institutions to invest money in other places, on the stock market for instance, or in other bodies which do not pay any taxes and which are passed off as capital surplus which is not taxable. That is where the tax form should be redesigned in order to put everyone on the same footing. There should be some degree of justice in the tax form so that everybody would be equal and on the same footing.

In the province of Quebec, for instance, as concerns the sales tax, those who collect that tax for the province of Quebec are receiving 2 per cent.

Well, the federal government has the taxes collected by industrialists, businessmen, employers and those employers are required—the tax forms are so complicated and the situation is so involved—to pay accountants, qualified men to collect the tax and prepare tax returns.

In the case of the general tax collection, the income tax or the 11 per cent tax and others which the federal government levies, nothing is given to those people who are collecting for the federal government.

If the province of Quebec has seen fit to give 2 per cent, why should the federal government not give something to the industrialists or the individuals for collecting? This would prevent an increase in the cost of goods. All those operations are included in the cost of goods. It is always the little people who stand the racket and pay taxes.

When one considers the taxes paid by corporations and individuals, one finds that individuals and workers pay much more than corporations. There are approximately 80,000 corporations in Canada. There are large corporations with a big turn-over which invest billions and hundreds of millions of dollars, and yet pay much fewer taxes than the Canadian workers. This is unfair, and that is why I say there should be only one income tax return form, a simple one, simplified in all respects. Let us simplify it as much as possible and we shall give satisfaction.

With regard to the 11 per cent tax and other taxes collected, I should like to point

out to the minister or his representative that industrialists or businessmen who sustain losses have to pay the 11 per cent tax just the same. If people go bankrupt, if the situation is confused, it is because the system is defective. It forces people to go bankrupt and compels them to pay the 11 per cent tax just the same.

I would ask the minister to consider the matter of bankruptcies, because small businessmen or dealers who suffer such losses also have to pay the tax. This is further injustice. This tax should be deducted from the loss. The state must be able to take its share of bankruptcies just like individuals, small companies or small industrialists.

I would have many things to say on tax collection in Canada. There are so many kinds of taxes, direct and indirect, that we do not know which way to turn. The taxpayer pays more taxes than what it costs him for his living. It costs him less to live than the taxes he pays. The citizens are so taxed now that taxes will have to be reduced, because they are much too high. Instead of being reduced, they are increased, and at the same time, the cost of living is rising. The government creates inflation because of the taxes it levies. In the case of those who charge excessive rates of interest, nobody protests against that, against these companies; there is something wrong in our economic situation. The governments are now endorsing and protecting high finance. And the people are fleeced. The people are on the verge of bankruptcy. The people are so heavily taxed and indebted that they do not see the day when they will be able to get out of it.

For some years we have been saying that there is prosperity in Canada. It is because the government and the citizens have been allowed to run into debt that the Minister of Finance (Mr. Sharp) has to impose restrictions on credit and investments; citizens are too heavily indebted.

Mr. Chairman, I shall conclude my remarks by advising the Minister of National Revenue to simplify as much as possible and to do that immediately, because our people can no longer afford such absurd and abominable taxes. They must at least have the right to live. This right is taken away from them as well as the right to breathe, they are forced to get along on credit, with borrowed money.

The Minister of National Revenue should open his eyes. This concludes my remarks.

[Mr. Latulippe.]

[*English*]

Mr. Nasserden: Mr. Chairman, there are only two subjects to which I wish to refer. The first relates to a duty or tax of some kind on farm equipment parts imported from the United States and other countries. Many people feel this is an unfair tax because these parts are used for machinery used in the production of farm produce. Unfortunately I left my file in Saskatoon relating to this tax but I will provide the minister with this information at a later date.

The other subject upon which I wish to comment relates to income of dairy farmers who obtain cash payments for fluid milk at an early point in a production year, while at the same time a reserve is established to their credit by the company to which they deliver their products.

• (4:40 p.m.)

In some cases the department has ruled that this reserve is taxable at the time it is set up to the credit of the individual producer, and in other cases they have allowed the producer to elect to consider it taxable at the time the company actually passed it out to him in the form of cash. It has been brought to my attention by one or two people that they feel they have been discriminated against because the department in their cases has asked that the reserve be considered as cash for the year in which it was set up to their credit. I do not know whether I need say any more in this regard. Perhaps the minister is familiar with this problem and can deal with it, and I will leave it at that.

Mr. Winkler: Mr. Chairman, I have just a few words to say with regard to these estimates. A contribution by another member brought this point to mind. I refer to the situation in regard to itinerant construction workers, about which I have received a tremendous number of complaints. The complaint is that these workers are not allowed to deduct as an expense the cost of transportation from their home to their place of work, as other businessmen are permitted to do. An hon. member pointed out that professional and businessmen are allowed to make these deductions to a substantial degree, and in my opinion a percentage of the total of these expenses should be deductible in the case of these construction workers. Because of the field in which they are employed, their income is not as great as that of professional and businessmen, and I think it is only right and

just that these people be given consideration in this respect.

I should also like to bring this matter to the attention of the minister. This is a difficult area, I know, but many people in the country believe that in those special instances where field officials are sent from the offices of the department to carry out investigations, they should employ a much greater degree of diplomacy. Of course if a taxpayer believes, rightly or wrongly, that an injustice has been done to him, he usually becomes very annoyed if Department of National Revenue officials come to exert pressure upon him to pay the proper taxes. Most other departments of government are set up to serve the public, and consequently these people feel that if taxing officials have unilateral powers in this area, a greater degree of diplomacy and propriety should be employed. I draw this matter to the attention of the minister because these complaints come to us as representatives of the people.

Mr. Benson: Mr. Chairman, a good many subjects have been dealt with this afternoon in the field of taxation. To meet many of the suggestions would require changes to be made in the Income Tax Act. This responsibility is, of course, that of the Minister of Finance. However, I can assure hon. members who have made representations in this regard that I will bring their representations to the attention of the Minister of Finance. Indeed hon. members will have an opportunity to bring their questions to his attention in the house when we are debating the budget resolutions in the very near future.

I should like to deal quickly with some of the points that have been raised, and I shall try to deal with as many of them as I can. The hon. member for Edmonton West raised the question of keeping good staff in the Department of National Revenue. It is because of the high quality of staff in the department, the professional people such as chartered accountants and lawyers who come to us and receive good training in the field of taxation, that it is difficulty to keep them. The reason for the difficulty in keeping staff is that salaries offered in industry and the professions are often higher. However, our recruiting has been going along reasonably well.

I believe that the new system of civil service classification which will be coming into effect soon, together with some of the practices Treasury Board have authorized to assist in recruitment and maintenance of staff in the taxation division, will be very helpful. I am hopeful that we will be able to build up and maintain as good a staff as we have always had and indeed, if possible, improve the calibre of the staff in the department.

Several hon. members raised questions with regard to charitable donations. When the Minister of Finance introduced his budget it included some proposed changes with respect to the handling of charitable donations under the Income Tax Act. The Minister of Finance indicated at that time that I would make a full statement when the budget resolution came forward. Indeed, Mr. Chairman, I intend to do that. I do not think I could add anything today to what I have said in the last couple of years about the problems we have had in regard to charitable donations deductions. I would point out, however, that we have reached a situation where the system is much better than it ever has been with regard to the misuse of deductions for charitable donations.

A question was raised with respect to estate taxes and an extension of the period for payment. I can assure the hon. member for Edmonton West that if the Minister of Finance decided to change the system of payment, we in the Department of National Revenue could administer it, although it does, as the hon. member knows from his previous experience with the department, create some difficulty. I would point out in this regard that 75 per cent of estate taxes go to the provinces. So the hon. member is actually asking the provinces to take this money over a longer period of time. The hon. member for Edmonton West also raised a question with respect to the customs office in Edmonton. I will have my officials look into the situation which was brought to my attention.

The hon. member for Kootenay West raised several questions, one of which concerned the number of refunds made by the department. In 1965 we made 4,200,000 refunds out of an estmiated 7,100,000 returns. There were 1,210,000 errors in these 7,100,000 returns. Payments were received with returns in 1,800,000 cases and out of the 7,100,000 returns—

Mr. Lambert: Who found the errors?

Mr. Benson: This is done by computer. The errors are thrown out. A question was raised, I think by the hon. member for Royal, with regard to the slowness of making refunds to taxpayers. If there is an error in the return,

the return goes back to the district office and the officer at that office then deals directly with the taxpayer. The mechanical work is carried out at the data centre. Officials at the district office are the people who make themselves always available to taxpayers.

The hon. member for Kootenay West raised a question with regard to the payment of sales tax on centennial projects and asked for a supporting philosophical argument. I cannot give the hon. member a philosophical reason for this tax being collected, but would point out that we do it because the law requires it to be done. Sales tax is applicable to these projects, and therefore it is the duty of my department to collect it.

The hon. member for Carleton raised a question that is, or course, a matter of great interest, namely the over-contribution of employers to the Canada Pension Plan. The hon. member indicated that he felt we were swindling the public, and so on, in this respect. I should like to assure him that all we are doing is applying the law as this parliament passed it. This is not done by regulation.

• (4:50 p.m.)

Mr. Lambert: Over protest.

Mr. Benson: This question was gone into very thoroughly in committee. I believe there are several pages of discussion in committee on this particular point. I can assure hon. members that we have not given up our search to find a system of refunding, but if and when a system is found it will require a change in the law.

The hon. member for Carleton said the government would keep this money, which is not true. The money goes into the Canada Pension Plan fund and it is turned over by investment to the provinces, and it will ultimately be paid out in benefits to those covered by the plan. Therefore the government as such, does not keep any of this money.

Mr. Monteith: May I ask the minister one question. Was I correct when I recalled an answer in committee to the effect that actually these overpayments were taken into the actuarial figuring of the plan?

Mr. Benson: I cannot at the moment recall this point, but I believe that they probably were. As you know, involved are large amounts of money, but relative to the total amount in the fund the over-contributions are not very big. The collections, as I recall, were estimated at $500 million in a year, and the over-contributions, according to the estimates given by the committee, would be about $5 million a year. So it would not have a serious effect on the actuarial computations of the fund.

Mr. Knowles: I believe the member for Perth was correct in his statement that that answer was given.

Mr. Benson: Yes, perhaps that is correct. It is not a simple matter to refund the amounts involved. The hon. member knows some of the difficulties involved; they are indicated in the evidence of the committee. However I shall be pleased to go into it at length at any time. It is not simply an accounting problem, where a computer can come up with an answer, because you get into the problem of which employer to give back the funds. Suppose someone worked for five employers during a year and the employers had over-contributed, you then run into the question of which employers to give the over-contribution back to, and in how to calculate the percentage entitlement of each. There are some really difficult problems involved. I should like to assure hon. members that we have not given up on this, although I have not been able to see any simple solution, from all the suggestions that have come forward to us, and have been developed in the department itself to date.

There was another question raised by the hon. member for Carleton, and that was the matter of the requirements of certified cheques by my department. The only place where the department requires certified cheques to my knowledge is in employees' deductions, where the money is sent to Ottawa rather than deposited in a bank to the credit of the Receiver General. The reason for this is that we entered into a system last year which has been generally accepted by most employers in Canada; I believe something like 90 per cent have accepted the system as being simpler. What is involved is that instead of having to make up a form every month and sending it off to Ottawa, they could simply tell the bank, at the time they made up their payroll or when they made a deposit, the amount of money they had deducted from their employees, which would be immediately credited to our account in the bank and transmitted to Ottawa. I should like to point out that this has worked out very well and most people are quite happy with it. It has also resulted in quite a saving in labour to the department.

I heard an estimate the other day from an official in the department that where it used

to take 668 man-days to account for this each month, it now takes one hour of computer time to run through all the employee tax deduction remittances in Canada. The reason we require certified cheques in this particular instance is to be fair to the person who is using the other system, because if he went to the bank and said, "I owe the Receiver General so much for employee tax deductions", it is immediately deducted from their account. On the other hand, supposing a person chooses the other system, which they can, and payment of a sizeable amount of money is mailed to Ottawa from Vancouver, they would have the use of the money for perhaps three, four or five days until the cheque was cleared through their local bank. The reason for the certified cheque was so that the people depositing money in the bank and crediting the Receiver General would be in exactly the same position as those sending money direct to Ottawa.

With respect to the water pollution regulations, these were amended by order in council dated January 19, 1966 and I will be glad to supply the hon. member for Carleton with a copy of them. The regulations apply to 1965 and subsequent years. I believe the Minister of Finance indicated in his budget speech that this program was going to be carried on.

The hon. member for Peace River raised the question as to whether clearing includes debrushing, breaking and cultivation? The answer is yes. If a farmer does not have a profit in a particular year, then he can deduct the cost of clearing for the year and, through the averaging process available to all farmers, he can receive credit in the years he has income.

The hon. member from Halifax raised the question as to housekeeper deductions and the hon. member for Vancouver-Kingsway raised the same question from a little different aspect. This of course would require a change in the law to allow deductions for housekeepers. I know representations have been made to the Minister of Finance and to previous ministers of finance with respect to this particular matter, and it was decided that government would not act in this regard.

The interesting question which the hon. member for Vancouver-Kingsway raised, with respect to a woman who was deemed to have been an employee under the Canada Pension Plan and an employer at the same time, is a normal situation. One can be both an employer and an employee, but employers do not as she indicated, have the right to deduct any amount of expenses that they want. The only expenses they can deduct are those involved in earning their business income.

Mrs. MacInnis (Vancouver-Kingsway): I was referring to the case of a woman helper.

Mr. Benson: But she is not deriving her income from the business; she is deriving it from employment. She is both an employer and an employee. On the employer's side, by having a housekeeper, she does not have any income. She is receiving her income as an employee. However, I can assure the hon. member that this cannot be done by regulation; it would require a change in the Income Tax Act.

A question was raised by the hon. member for Okanagan Boundary with regard to Mr. Hal Banks. I cannot give him an answer because I cannot give information with regard to individual taxpayers, other than to say that we make every effort to collect all the taxes due to the government of Canada. I was able to give him information with respect to the hypotheque that we put on Mr. Banks' home in Montreal, because this was a registered public document. However, to indicate here whether he has paid his taxes or has not, or has filed his return, I just cannot do, the same as I cannot do it in the case of members of parliament or any other taxpayers in the country.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I should like an answer to my question about the Canadian employees at foreign embassies.

Mr. Benson: Yes, I would be pleased to answer that question. Such employment can be made pensionable if the foreign government signs an agreement with Canada to have such employment made pensionable. We are attempting to get them to do that, but it was considered inadvisable at this time to permit persons to contribute as self-employed and pay 3.6 per cent because the foreign governments might not then wish to sign an agreement. However, we are hopeful that they will agree to have their employees covered by the Canada Pension Plan.

• (5:00 p.m.)

Item agreed to.

The Chairman: This concludes the main estimates for the Department of National Revenue for the fiscal year ending March 31, 1967. It being five o'clock, shall I rise and report progress?

Business of the House

Progress reported.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. McIlraith: I wonder if, before we proceed with the consideration of private members' business, I might be permitted to announce the business we propose to submit to the house for consideration on Monday.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. McIlraith: On Monday, the first item I propose to call is No. 56 on today's order paper, the resolution preceding a bill to reorganize government departments; item No. 12, second reading of a bill to amend the Northwest Territories Act; item No. 13, second reading of a bill to amend the Yukon Act; item No. 5, second reading of a bill to provide for the establishment of a fund for the economic and social development of special rural development areas. If we conclude those matters we would take item No. 49, a resolution preceding a bill to authorize certain payments to the provinces. If, by any extreme good fortune, we finished that we would proceed with item No. 52, a resolution preceding a bill to introduce a measure to give effect to term 29 of the terms of union of Newfoundland with Canada, Then, we would go on with item No. 55, second reading of a bill to provide for the establishment of the Company of Young Canadians. On Tuesday, I would want to call the business in a different order, and not continue with this order.

INDIAN AFFAIRS

MEASURE TO REPEAL MINERAL RESOURCES STATUTE

Mr. Frank Howard (Skeena) moved the second reading of Bill No. C-8, to repeal the British Columbia Indian Reserves Mineral Resources Act.

He said: In 1943, Mr. Speaker, the parliament of Canada passed the British Columbia Indian Reserves Mineral Resources Act, which I now seek to repeal. The reasons for the initial passage of the bill were outlined by Hon. Mr. Crerar, who was then minister of mines and resources in the Liberal government of that day, as found on page 4921 of *Hansard* for July 16, 1943

[The Chairman.]

To go back a little, a question arose as to the ownership of the minerals which might be found on lands transferred to the dominion in British Columbia and a test case was taken to the Privy Council to decide the ownership of the precious metals. The Privy Council gave judgment that the precious metals belonged to the crown in the right of the province.

Then, Mr. Hanson, the then hon. member for York-Sunbury, asked the minister for the citation, and Hon. Mr. Crerar went on to say:

The case was decided in 1889. An extract from the judgment of the Privy Council reads:

"The precious metals in, upon and under crown lands, are not incidents of the land but belong to the crown, and under section 109 of the British North America Act, 1867, beneficially to the province".

That judgment, of course, established that if precious metals were found on such lands, the dominion had no claim to any benefits arising from the exploitation of these precious metals.

Having read these words of Mr. Crerar, I want to go on to indicate that, in my view, Mr. Crerar misrepresented the judgment of the Privy Council. Parliament was led to believe that certain things existed when, in fact, they did not. In the first place, the Privy Council decision of 1889, to which reference was made, had nothing whatever to do with Indian reserve lands as such. This decision was related to the land grants or the 40-mile swath of land which was given to the Canadian Pacific in consideration for building the railroad and carrying out one of the terms of union between British Columia and Canada.

The matter came to a head when gold was discovered in 1884 in an area within this 40 mile land grant. A dispute arose as to the proprietory ownership of gold. This was the case that went to the Privy Council. Under section 92 of the British North America Act, which gives jurisdiction to the provinces, certain things are exempted from provincial jurisdiction, such as railways which are interprovincial. Section 91 of the B.N.A. Act, part 24, specifically gives exclusive jurisdiction to the parliament of Canada in the matter of Indians and lands reserved for Indians.

If I recall the quotation from Mr. Crerar, in 1943 the government of that day took the 1889 decision of the Privy Council related to lands conveyed by the dominion and applied it to Indian reserves. They distorted the position of the Privy Council, either deliberately or otherwise. The matter which was

before the Privy Council related to the railway and the terms of union between the province of British Columbia and Canada, and the issue with which the Privy Council concerned itself was the words "public lands". In giving this citation I submit that Hon. Mr. Crerar misrepresented what the Privy Council did. I should like to read a portion of the Privy Council judgment as found on page 306 of The Law Reports, Appeal Cases, 1889:

> Their Lordships are for these reasons of the opinion that the judgment appealed from must be reversed, and that it ought to be declared that the precious metals within the railway belt are vested in the crown, subject to the control and disposal of the government of British Columbia, and they will humbly advise Her Majesty to that effect.

The decision of the Privy Council specifically spelled out in this way was concerned with precious metals within the railway belt. This decision of the Privy Council reversed previous decisions by the Exchequer Court of Canada and the Supreme Court of Canada, which held that these precious metals were within the domain of the dominion government. There was in 1943 a deliberate conspiracy of arrogation on the part of the federal government and on the part of the provincial government as well. We must remember that the federal government was the Liberal party in office. In British Columbia in those days we had a coalition government, which was a marriage of convenience between the Liberals and the Conservatives. In that coalition government the Liberals were in majority. The individual who was the then minister of mines in British Columbia was the late Hon. Ernest Carson, who was a Conservative in that coalition.

• (5:10 p.m.)

The people in that government, on the basis of having misrepresented the decision of the Privy Council in London, undertook to deal arrogantly with the rights of our native Indian people in British Columbia, in so far as mineral resources are concerned.

At no time could I find any reference in the speeches in *Hansard*, either of the House of Commons or of the Senate, when this matter was being considered, or indeed in any other documents or records, to any consultation or discussion with the native Indian peoples themselves. It was just a matter of the usual practice of governments running rampant over the rights of a group of people who were in this country long before anybody else and who have, and I submit still have in British Columbia, the original rights to the land and to the resources.

I think that the schedule to the bill passed in 1943 misled parliament in at least three respects. In the preliminary part of it there are four whereases, the first of which was misleading, and I want to show to what extent. I shall read it:

> Whereas from time to time treaties have been made with the Indians for the surrender for various considerations of their personal and usufructury rights to territories now included in the province of British Columbia, such considerations including the setting apart for the exclusive use of the Indians of certain definite areas of land known as Indian reserves;

That statement and that whereas is grossly misleading, because we know that the number of treaties in effect in British Columbia is relatively few and affects only a very small portion of the landed area, and of the people themselves. By and large the native Indian people in British Columbia have never entered into any treaty with any government over their land. It was simply a matter of encroachment by European settlers and by the government of those days on to the land held by the native Indian people from time immemorial.

Sir, the first whereas is false and misleading because it leaves the impression that treaties have been made to set aside certain landed areas as reserves, and such was not the case.

The second whereas says:

> And whereas the said Indian reserves were conveyed to the dominion government as trustee for the Indians under the terms and conditions set forth in an agreement dated the 24th day of September, 1912, between the dominion government and the province of British Columbia;

That is misleading because it follows the first whereas, and the implication is that this was done with the consent of and by the agreement of the Indian native peoples in British Columbia. The facts of the matter are that it was not.

Never at any time have the native peoples in British Columbia agreed to accept the so-called agreement of 1912, the findings of the McKenna-McBride Royal Commission, the provisions of the Indian Land Settlement Act, or any of the unilateral means used by government for its purposes. There has not been one iota of agreement by the Indian

peoples to the one-sided approach that dealt with their original hereditary land claims.

The third whereas is misleading also, because it says as follows:

> And whereas the precious metals in, upon, or under the lands comprising such reserves are not incidents of such lands but belong beneficially to the crown in the right of the province of British Columbia with the result that the development of all the minerals in, upon or under such lands is at present impractical since the precious and base metals are closely associated and cannot be mined separately;

That is misleading because it takes the 1889 decision of the Privy Council that related to the C.P.R. land grants and says that, in effect, that decision applied to Indian reserves. Such was not the case.

Based upon that an agreement was signed to deal arbitrarily with the rights of the native Indian people with respect to their mineral resources. The effect of that was shown in a document recently circulated by the Indian affairs branch under date January 18, 1965, dealing with this matter. It points out that before the mineral resources of any reserves can be developed they must—and there is no question about this; the document asserts the term—they must be surrendered. In other words, in order for mineral resources on any Indian reserve to be developed today, under the terms of the agreement which was ratified in 1943 by the law which I now seek to repeal, it was made a mandatory provision that the Indian peoples must give up their rights to these resources, must toss them to one side, must surrender them and no longer have any rights in them.

This surrender is then followed by the administration of the resource itself being given to the government of the Province of British Columbia, and the relevant law of that province being made applicable. The income from any of the operations of mining or leasing, or from prospectors' licenses or the like, in fact the income from any such activity is, under the agreement, divided 50-50 between the province of British Columbia and the government of Canada.

It is interesting to note that the government of Canada persistently has claimed that it exercises that income and administers it in trust for the Indian Band concerned. It is interesting to note, too, that in the whole period of time since 1943, since this agreement has been in effect, the total amount of money that has accrued from the exploration or exploitation of mineral resources on Indian reserves in British Columbia has come to the grand total of $10 exactly. There is $6.25 from one reserve, and $3.25 from another.

However, as the memorandum of the Indian affairs branch dated January 18, 1965, points out, a tremendous amount of interest has developed in the last year to two in mineral resources and mineral exploration in British Columbia. The Indian affairs branch points out that there has been an increasing interest in the mineral resource potential on Indian reserves in British Columbia, and that this interest may serve to accelerate in developing these resources.

This parliament should want to repeal the act, for the reason that it was initially an imposition upon a group of people by unilateral action on the part of the government of Canada and the government of the province of British Columbia. The act was passed without consultation.

We are in an era now when there is an undivided opinion that the key to success for Indian peoples, and for their advancement, rests in their being able to control their own affairs. If we repeal this imposing legislation we shall return to the situation that existed prior to 1943 and we shall give to the Indian people the right to decide for themselves what they want to do with the mineral resources on their reserves. There was misinterpretation of a Privy Council decision. There was no consultation with the Indian people. In fact no advice was given to them about it. Parliament was misled, as I have indicated, and the question of land and mining resources has never been really settled.

• (5:20 p.m.)

The government has indicated on a number of occasions—although it has not done anything about it, yet—that it wishes to deal with this land question in a fair and just way. I submit that it is not possible to do so, and to meet the original and hereditary claims of the Indians of British Columbia, so long as this statute remains on the books. I sincerely hope that parliament will repeal this law at the earliest possible moment.

Mr. Grant Deachman (Vancouver Quadra): The hon. member for Skeena (Mr. Howard) has spoken well on a public bill which is of considerable interest to Indians and reserve Indians in British Columbia. He has spoken with his usual feeling for the Indian people of the province, and with the capability he

always brings to a case in their interest when he speaks before this house.

I listened with a great deal of interest as he discoursed on this problem of mineral rights on Indian lands in British Columbia. The bill which he has brought before the house is a little bill which simply seeks the repeal of the British Columbia Indian Reserves Mineral Resources Act. The hon. member for Skeena says in the explanatory note to his bill:

> The agreement provides that the administration, control and disposal of all minerals and mineral claims, both precious and base, in, upon or under all Indian Reserves in British Columbia shall be subject to the laws of the province of British Columbia.
>
> The agreement further provides that any revenues collected by the province of British Columbia in respect of any sale or other disposition of minerals and mineral claims shall be divided between the government of Canada and the government of British Columbia on a 50/50 basis.

This is the purpose of the little bill, a measure which arises out of the historical background which has already been discussed by the hon. member for Skeena and which I intend to review to some extent, though possibly with the emphasis differently placed.

The province of British Columbia entered confederation in 1871. Clause 13 of the Articles of Union provided that the dominion would have charge of Indian affairs and that the province would from time to time convey to the dominion such lands as were required for reserves. The selection of lands for the Indians caused a great deal of trouble between the two governments and resulted in a number of commissions being set up either jointly or by each government separately. The matter was finally disposed of in 1938 by order in council 1036 of the Lieutenant Governor in Council of British Columbia, by which reserves were conveyed to the dominion.

From the very begining the dispute over surface rights involved mineral rights and the administration thereof, with both the dominion and province claiming jurisdiction. This dispute became even more complicated when in the precious metals case—Attorney General of B.C. *v.* Attorney General of Canada, 1889—the Judicial Committee of the Privy Council ruled that the precious metals, gold and silver, were vested in the crown in the right of the province.

The administration was then divided —precious metals to the province and base metals to the dominion. The province later entered a claim for administration over the base metals as well. The bickering led to the passing in 1943 of the British Columbia Indian Reserves Mineral Resources Act, by which administration of base mineral rights would pass to the province upon surrender by the Indians. This act settled no legal rights but was merely an attempt to place administration in one place since, with the previous divisions, no development could take place, as in British Columbia gold and silver are contained in almost all the ores of the remaining minerals.

Anyone who sets out to mine base metals in British Columbia finds he is involved not only in a base metal mine but in a gold mine and a silver mine. For this reason, dividing minerals into precious minerals and base minerals presented an impossible situation.

While the hon. member for Skeena was addressing the house and referring to the action of the federal government in respect of this matter of the British Columbia Indian Reserves Mineral Resources Act, I sent out for a copy of *Hansard* covering the debate from which he quoted, and I have before me the debates of the House of Commons for the session of 1943, volume 5. I wish to turn to the debate to which the hon. member referred. There was a good debate in the House of Commons that day. I see that the report begins on page 4920 and continues for several pages, to page 4927. A number of speakers took part, so it cannot be said that this little bill was cavalierly dealt with, or passed over very quickly by the parliament of that year. It received a good deal of consideration, and *Hansard* stands on record to that effect.

Hon. Mr. Crerar introduced the bill, and it is interesting to note that among those who entered the discussion was Mr. Coldwell the leader of the C.C.F. party in the house during that period. Another hon. member who played a considerable part and had a good deal to say about the bill—he finally called for it to be passed on division—was Mr. Neill, who was a long-time member for Comox-Alberni, whose able successor I see in his place in the house today. Mr. Neill was himself a member of the old C.C.F. party. Or was he an independent?—I stand to be corrected.

• (5:30 p.m.)

Mr. Barnett: If the hon. member is referring to the earlier member for Comox-Alberni, he sat in this house as an independent. I sat at one time as a member of the C.C.F. caucus, but that was later than 1943.

Mr. Deachman: Mr. Neill was a well known member of the house. He was well known in B.C. and was quite a critic of the government of the day. He said, as recorded at page 4923 of *Hansard* for that year:

> The general principle of this bill is undoubtedly good—

He was raising some question in relation to the jurisdictional dispute going on, but he said:

> The general principle of this bill is undoubtedly good because it does away with the objection that has been in existence for many years in British Columbia, that if the Indians—or anyone acting for them—discovered a valuable mine, it could never practically be worked because the other party, the provincial government or the dominion government, would step in and say, "You may take out your silver but you must not touch our lead, for instance."

This is the old problem of trying to work any claim, and the divided jurisdiction between base metals and precious metals, recognition that precious metals under Indian reserves belong to the crown in the right of British Columbia, and that development of all minerals, under the laws of Canada and British Columbia, independently, is impractical since precious and base metals cannot be mined separately.

The act also provided that as a matter of convenience, without affecting legal rights, the province of British Columbia should have charge of development of all minerals under the Indian reserves. It went on to provide that the administration and development of the minerals shall be subject to the laws of the province, following surrender pursuant to the Indian Act.

It went on to say that there should be no prospecting or right of entry to the Indian reserves until permission had been obtained from the Indian agent, and then it said that the agreement concerns only metallic minerals.

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

Mr. Deachman: Yes.

Mr. Brewin: I am following his argument with considerable interest, but is he going to deal with the point made by the hon. member for Skeena (Mr. Howard), which was that this act was passed upon an erroneous assumption that the situation of Indian lands was legally the same situation as railway lands whereas, in fact, by the provisions of the B.N.A. Act Indian lands were explicitly put under federal control and therefore were not provincial crown lands?

I wonder if, in the course of his interesting discussion, the hon. member is going to deal with that point, because it seems to me that the crux of the very excellent argument put before us by the hon. member for Skeena was basically that this act was passed on a misconception of the actual situation, passed upon an assumption that these were provincial lands, and therefore some arrangement had to be made with regard to mineral rights in respect of Indian lands in the province. In fact, if the hon. member for Skeena is right—and I studied the case in the Privy Council to which he referred—the whole assumption was erroneous, and minerals on Indian lands are strictly under federal control.

Mr. Deachman: My hon. and learned friend is skilled in the law and I am not. I see here an argument which is basically a legal one, and a deep constitutional matter involving the validity of the act itself. I do not think this is a matter upon which my hon. friend would expect me to be skilled or to discuss as skilfully as he did. In fact, I do not know very much about it at all.

If time permits and my hon. friend would like to elucidate further upon this point I certainly would be willing to listen to him develop that argument. It would be valuable to us to hear his discourse on that subject, and I would welcome his entry into the debate. Does my hon. friend wish to ask another question?

Mr. Brewin: I was going to ask my hon. friend if, in the course of his preparation for his contribution to this debate, he did not pay attention to this rather crucial problem?

Mr. Deachman: I must apologize to my hon. friend for my preparation. It was rather lightning-like, and somehow I skimmed over the very important constitutional point which my hon. friend is raising. As I say, I think it would be of value to our discussion if he were to explain the principle more fully when he himself has a chance to speak in the debate.

Mr. Howard: The bill has only been on the order paper since January 24.

Mr. Deachman: Since the effective date of the act, mineral surrenders to only six out of a total of 1,600 reserves in British Columbia have been approved by Indian bands, and none has been approved since 1950, which is a rather interesting note on the effectiveness of any program relating to the development of minerals under Indian lands in B.C.

Administrative responsibility for the use of the land resources is divided between the two governments, once a band has approved a mineral surrender. The mining or subsurface rights are administered by the B.C. government, whereas the rights to use land surface for mining purposes are administered by the federal government in consultation with the band council. There has been no development of mines on B.C. Indian lands, and exploratory work has been practically negligible.

The Indians' half share of revenues collected by the province would include only fees for recording claims and assessment work, etc., until such time as a mine had produced for three years, when it would become taxable under the British Columbia Mineral Taxation Act. There are no provisions for acreage rentals or cash bonuses on claims staked under B.C. legislation.

There have been discussions between the governments of B.C. and Canada in recent years, in fact within the last year or so, and progress is being made toward what is hoped to be a better situation for the Indians, and the administration of these lands for mining purposes.

In 1956 and 1957 discussions took place with the provincial deputy minister of mines in respect to interpretation of the act, and these led to some understandings which I will discuss. First, the revenue to be shared between the province and Canada, for band benefit, includes that collected under the Mining Income Tax Act by the province.

The band council could negotiate terms with an applicant for the use of surface for mining purposes, including payment to the band of acreage rental, cash bonus, amount per ton mined or a percentage of the value of mineral produced. On approval of terms, the band council could authorize the Indian agent to grant permission to the applicant to enter, prospect and stake claims on the reserve under the act and other provincial legislation.

• (5:40 p.m.)

No serious exploration or development of mineral resources resulted from these understandings, so a formal approach was made to the province of British Columbia for a revision of the agreement through an exchange of correspondence between ministers in 1961. My notes, in researching this, go on to say that the provincial ministers could not agree to transferring administration of minerals on Indian reserves to the federal government and, further, the province claimed ownership not only of precious metals, but also of base metals on some reserves. So the jurisdictional dispute continued. In particular was the fact that the province certainly did not want to see a situation in which two mining laws applied to the province, one which applied to commercial mining and one which now had sprung up under this act.

In subsequent discussions, Indian affairs officers produced evidence to invalidate the province's claim to base metals, and an appeal was made to leave questions of legal ownership unsettled in favour of reaching an agreement which would give the Indians in British Columbia similar benefits from minerals as was enjoyed in other provinces. At that time provincial officers found our general proposal unacceptable, but they offered no alternative proposal.

This is virtually where the negotiations stand today between the federal government and the province of British Columbia. I understand from the minister and from officers in the department that negotiations are going on steadily, that interviews have been held between officials of both governments and that to date no suitable solution has been found which would bring about a settlement of the question.

In conclusion, Mr. Speaker, I should like to say I am as much in sympathy with the purposes of this bill as is my hon. friend. I am not certain that the simple repeal of the act, as he suggests, is the way to approach it. I think there will have to be further steps, and I believe these must be taken together. I think they have to be taken under the aegis of the government. There may be some question in respect of whether or not we are involving ourselves here in the handling of a money bill. I believe the government is aware that the problem exists. There is every evidence that it is being pursued by the dominion government and the provincial government, and that the government has at heart the interests of the Indian and native in working toward a solution of this problem.

I am sure the discussions in the chamber today, which have been aired by the introduction of the hon. member's bill, give impetus to the solution of a problem which needs a solution, and which we all would welcome.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, having seconded the bill introduced by the hon. member for Skeena (Mr. Howard), I should like to say just a few words to indicate my support for it. I have been listening as closely as I could to the argument being advanced by the hon. member for Vancouver Quadra (Mr. Deachman). In his analysis of the situation it would seem to me that he was in error in certain particulars at least, although I am glad to know he indicated his sympathy with the purposes of this bill. The hon. member had something to say about the matter of unification of mining laws in respect of mining operations in the province of British Columbia, regardless of the class of lands involved.

I should like to suggest to the hon. member, Mr. Speaker, that the act which the hon. member for Skeena is seeking to repeal really is not concerned with the question of a certain set of rules for the conduct of mining operations, but rather is concerned with a certain division of the revenue. It seems to me that this is the important principle involved in the proposal of the hon. member for Skeena—that is, that an error was committed by parliament in ratifying the agreement with the province of British Columbia and that grievous injury was done in fact by the province and its government of that day in seeking to impose this kind of jurisdiction on the Indian affairs branch on behalf of the Indian people of their full rights to the revenues from the properties.

This, to me, is the issue. Had there been some discussion with the Indian people in an effort to seek agreement that there be general application of the mining rules on their property similar to those which apply to mining operations in the province, then that might have been a proper field of negotiation for the province of British Columbia and perhaps the Indian affairs branch on behalf of the Indian people.

I submit there is a distinction there. I also would suggest that I might have a word to say here on the question that was raised by the hon. member for Greenwood (Mr. Brewin). In doing so, may I say I certainly am, shall we say speaking on, layman's level to the hon. member for Vancouver Quadra. In this connection I should like to point out, with particular reference to the decision of the Privy Council on which apparently this original law was based, the distinction between lands in the railway belt and the Indian reserve lands which, to my layman's mind at least, appears to set out the very important distinction which has been established within the British North America Act itself.

In section 92 of the British North America Act, which has to do with the fields in which the legislatures of the provinces may exclusively make laws, we find in No. 10:

> *10.* Local works and undertakings other than such as are of the following classes:

It mentions specifically railways and other works or other undertakings connecting the province with any other or others of the provinces. This, it seems to me, puts the situation in respect of any lands granted to a railway in a very different category from that in which the Indian reserve lands are placed by the British North America Act, because thereference to Indian reserve lands is set out very specifically in section 91, which deals with matters which lie exclusively within the jurisdiction of the federal authority. As has been mentioned in many discussions in relation to Indian problems in this house, it makes specific reference to Indians and lands reserved for the Indians.

In my understanding of the matter of land title, the basic rule is that unless there is a specific reservation in the title of the land for a specific purpose, such as the reservation of mineral rights, then the title to the land includes everything that is on it and under it. I am not going to go into the question of what may be above it. I think this is a pretty clear understanding. I know for example, in the title to my own property in Alberni, in respect of the E & N railway belt there is a specific reservation of mineral rights to the present owner, the C.P.R. It seems to my lay mind at least that this is the point the hon. member for Greenwood was raising in his question, and I felt that I should express it in lay language, with the hope that the hon. member for Vancouver Quadra (Mr. Deachman) would understand me and perhaps agree with me.

• (5:50 p.m.)

Mr. Deachman: May I ask the hon. gentleman a question? Does he not agree that the dispute which arose between the provinces

and the federal government in regard to mineral rights on lands which the provinces, after confederation, had to transfer to the dominion government for the purposes of establishing Indian reserves, involved a jurisdictional conflict which has not yet been solved? Does he not agree that the whole problem with which we are dealing today arose as a result of a failure on the part of the federal and provincial governments over the years to determine just who has mineral rights? Is that not the basis of this whole case?

Mr. Barnett: Mr. Speaker, my understanding is that under the terms of union with British Columbia and the original provinces which formed the Dominion of Canada, provision was made that the British North America Act of 1867 would apply. It is clearly stated in that act that Indian lands come under the jurisdiction of the federal government, as trustees for the Indian people.

My own view is that the province of British Columbia has always taken a very narrow and parsimonious approach to the rights of Indian peoples, and that the grounds on which it has chosen to involve itself in disputes as to Indian rights have created serious injustices to these native peoples. I think it is part of our responsibility in this house to make sure that this situation is reversed. If we intend to deal with the question referred to by the hon. member for Skeena (Mr. Howard), the first thing we should do is repudiate these bad arrangements, which were agreed to probably with an incomplete understanding and appreciation for the rights of Indians.

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I want to make one or two observations concerning the Eden valley Indians in southern Alberta. This land was purchased by the federal government in order to create a reserve. I am told that the mineral rights were reserved, which is distinctly different from what happened in respect of the mineral rights on other reservations, where they were retained in the name of the Indians in the form of a settlement made prior to 1905. I have in mind the situation regarding the Brocket, Gleichen and Sarcee reserves. I understand the Indians on these reserves possess the mineral rights.

It has always been my feeling that, since the federal government purchased those lands from private operators to create these Indian reserves, the Indians occupying these lands should have the mineral rights. I rise at this time to speak on behalf of the Eden valley Indians and to place their difficulties, which have been brought to my attention on a number of occasions, before this house. I feel that these Indians should by all means have title to these mineral rights.

In order that a vote may be taken on this bill, which seems to have found favour in the eyes of most members of the house, I will sit down at this time.

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I rise at this time to express my opinion about the provisions of this bill.

Mr. Knowles: That will take just about long enough to prevent a vote.

Mr. Mackasey: I do not wish to vote without expressing my opinion, and I think it would be in contravention of the open-minded approach normally taken by the hon. member for Winnipeg North Centre if I was not allowed the opportunity of speaking on this subject. There is a great deal I could say about this subject in relation to the very able contribution made by the hon. member for Skeena (Mr. Howard), who is interested in problems of this kind, but whose general contributions are made during other debates in a belligerent manner.

Mr. Justice Macdonald summed up the best attitude toward this problem in the Brantford courthouse on April 22, 1959 when he said:

> It is a matter of common knowledge that Indians in their dealings with white men generally get the worst of the bargain.

The hon. member for Skeena has done the Indian people of Canada a service by bringing this obvious miscarriage of justice to the attention of the house. In all fairness, the reason I am speaking at this time, even though the amount involved may be less than $10, is that the agreement in question was obviously arranged between the Dominion of Canada and the province of British Columbia. It relates to how the revenues derived from mineral rights should be shared. Money bills should not be introduced in this house under the guise of private members business. I find myself reluctant to express my opinion at this time, because I do not wish to talk the bill out, and I regret that I do not have more time at my disposal.

May I call it six o'clock.

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

Mr. Howard: Mr. Speaker, in order to give the hon. member for Verdun an opportunity to complete his remarks, perhaps the house will agree by unanimous consent to put this bill in first place on the list of public bills for discussion on the next appropriate occasion.

Mr. Mackasey: I am agreeable to that suggestion, if it expresses the will of this house.

At six o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply this day:]

DEPARTMENT OF NATIONAL REVENUE

Customs and Excise—

1. General administration, operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from firms and individuals requiring special services, $49,278,000.

Taxation—

5. General administration and district offices including recoverable expenditures on behalf of the Canada Pension Plan, $44,986,300.

Tax appeal board—

10. Administration expenses, $171,500.

HOUSE OF COMMONS

Monday, May 9, 1966

The house met at 2.30 p.m.

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Mr. Gérard Pelletier (Hochelaga) moved that the fifth report of the standing committee on broadcasting, films and assistance to the arts, presented to the house on Thursday, May 5, 1966, be now concurred in.

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

Mr. Knowles: On division, Mr. Speaker.

• (2:40 p.m.)

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like to say a few words on this motion.

We are asked to reduce the quorum from 13 to nine members. The committee on broadcasting, films and assistance to the arts is made up of 25 members of parliament.

I feel that there is something wrong. If 13 members out of those 25 cannot be found to attend that committee's sittings, then I submit that the committee is not important and must cease its activities.

The first point I want to make is that the Ralliement Créditiste is not represented at all on eight committees because the Liberals refused to allow us a member on them. An attempt was made to divide the number of committee members according to the number of members in each party.

It is a fact that Liberal members are not interested in taking part in the work of committees. On the other hand, we are interested and, in spite of that, there are eight committees on which the créditistes are not represented at all. It is not surprising, therefore, that committees fall short of the quorum when interested members are not allowed to sit on them.

And on how many committees is the party of my hon. friend the member for Red Deer (Mr. Thompson) not represented? And if I asked the same question to the members of the New Democratic Party? They are also interested in sitting on committees where they are not represented. I am convinced that there would be many of them if they were invited to become members of those committees.

They cannot attend because they were denied that. There are members of the New Democratic Party and the Ralliement Créditiste who are not members of the committee on broadcasting, films and assistance to the arts and who, in spite of that, attend its sittings. There is for instance, the hon. member for Timiskaming (Mr. Peters). I do not think he is a member of that committee and yet he attends its meetings although his attendance is not recorded. Why? Because there is no room for those who are interested. Members of the Liberal party are chosen even if they are not interested and do not show up. Then, there is no quorum. Those who are interested cannot make up the quorum. That is my first argument.

Mr. Speaker, hon. members who are interested, whatever their party, should be asked if they want to sit on committees and should be allowed to do so if they agree. Then we would have a quorum and the committees could hold their meetings. If at least members who are interested could have their names substituted for those who have given their names to be members of committees, but are not interested.

There are hon. members who are interested in being members of this committee, but are not. Why? Because there is no room for them. When I asked the member for Sherbrooke (Mr. Allard) the other day whether he would have liked to sit on the committee on broadcasting, films and assistance to the arts, he said he would have accepted. At any rate, he attends the meetings, but he is not a member of the committee and his presence does not count for the quorum. There is a weakness in the establishment of committees. The Liberal whip has to run after his own members to get them together, to ask them to attend committee meetings, even when they are not interested. The situation is the same for the Conservative party.

Instead of leaving that to the whips, all members interested in being members of a given committee should be asked to give their names. Afterwards, the substitutions needed could be made. Thus, we would not be faced with the problem we have today.

The second reason why I object to the quorum being reduced from 13 to nine is that no committee is without Liberal members, none has less than 13 Liberal members. If the government is serious,—it is to the government that we owe the committee reform—it should see to it that all members of its party attend committee meetings. There are 13 Liberals on each committee, but they are not interested in attending the meetings. That is why there is no quorum. The party in office wants to have too big a share in committee membership. Its members are not interested; they do not want to take part in committee meetings and that is why there is no quorum.

Mr. Speaker, I submit that if the members of the party in office were interested in attending committee meetings, then we would not face the problem we face today and there would be a quorum in committees.

As the motion is debatable and as we are entitled to 30 minutes each, I intend to use all my time or at least a good deal of it, because I believe that we are now debating a question of principle dealing not only with the committee on broadcasting, films and assistance to the arts, but to any other committee. What is good for one committee is good for all the others.

The third reason why I strongly object to reducing the quorum is because I found that when a committee has a hard time getting a quorum, it is because more important work is being carried out in the house. For instance —and the chairman of the committee can bear me out on this point—Monday and Tuesday last, the committee on broadcasting, films and assistance to the arts found it hard to get a quorum for certain sittings. Why? Because important speeches were being delivered in the house, namely a statement by the Prime Minister (Mr. Pearson), which was awaited by everyone. Now, it was understandable to find all Liberal members present in the house. That same afternoon, the Leader of the Opposition (Mr. Diefenbaker) made an important speech and Conservative members were present in great numbers in the house. In the evening a very important vote took place. That is why the committee on broadcasting, films and assistance to the arts did not have a quorum all day long. This is entirely normal and I am convinced that the Prime Minister preferred making his statement when all members of his party were present in the house instead of making it in front of empty seats or when members of his party were scattered here, there, and everywhere in various committees.

It is quite understandable, Mr. Speaker, that members should be present in the house when important matters are being discussed here. But then, committees cannot get a quorum.

Mr. Speaker, the main reason is that committee members are selected by the whips, whereas all members, regardless of their party, interested in taking part in committee work should be able to do so.

The second reason is that counting the government members there would be enough for a quorum, but they are not interested.

In the third place, there is the fact that when something important is happening in the house, members prefer to sit in the house rather than in the committees, and that is perfectly normal. But reducing the quorum would not solve the problem because in that case, when members have to choose between a committee in which they are particularly interested and the house, where something important is happening, what would their decision be?

• (2:50 p.m.)

What should we, as members, choose? We are faced with a difficult alternative. The member should not be given such an alternative. He has to choose between being absent from committee meetings which are important and which, he feels, he ought to attend, and being absent from the house while something important is going on. A member should not be faced with such an alternative.

That is why the solution is not in reducing the quorum but in a better organization of the committees' work, in finding a system whereby members may be allowed to attend the house when it is important and also to attend the committee sittings when such committees, also of importance, are sitting.

Such a formula must be found instead of reducing the quorum.

We are asked to reduce the quorum to nine, which means that only nine members would submit reports and decide on some matters on behalf of all their colleagues. That is not proper.

Let me give an example. During the debate on the budget speech in the house, the committee on finance, trade and economic affairs was sitting. Now, the people most interested in the budget debate are necessarily the members of the finance committee. Yet, the finance committee was sitting during consideration of the budget in the House of Commons. That is not proper. Those who are interested in the financial administration of the country had to choose between taking part in the budget debate, which lasted six days and which is surely the most important debate of the session on financial matters, and attending the committee sittings where consideration was being given to the financial problems of the country.

You see, Mr. Speaker, the situation in which members interested in the problems and financial administration of the country found themselves. They could not be in both places at the same time while discussions were taking place on important matters concerning the finances of this country. For these reasons, Mr. Speaker, I claim that the solution is not in the reduction of committees' quorum but in finding time periods during which the committees could sit outside the sittings of the House of Commons. For instance let the house sit three weeks a month and let the committees sit one week while the house is not sitting.

Mr. Lewis: Or three days a week.

Mr. Grégoire: Or yet, have the house sit three days per week and, as the hon. member for York South (Mr. Lewis) suggests, allow the committees to sit two days a week while the house is not sitting.

Let the committees sit a week per month or two days per week, while the house is not sitting, and their work will be done more seriously. Besides, members could then attend the sittings of the House of Commons. The way things are being done at the present time we would have to be in both places at the same time and that is not possible.

We are still looking for the scientist who will discover a system allowing people to be in two places at the same time. Such a system has not yet been developed and it is not this government which will develop it either. We still do not possess the gift of ubiquity. For lack of this system for the time being, we cannot be forced to be in the house and in the committees at the same time.

I therefore ask the government and the leader of the house to devise another system, different from that which is offered to us at this time.

That is why we object to the motion before us today.

[*English*]

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I can agree with many of the things the hon. member for Lapointe has said. However, I plan to support this motion because it is the only way out of our immediate difficulties. But I would suggest that a committee of representatives from each party should be formed to discuss these matters.

An hon. Member: A committee on committees.

Mr. Prittie: A committee on committees, if you like.

I do not believe we are going to settle this matter on the floor of the house each time one of these motions comes before us.

I should like to make one suggestion, Mr. Speaker. It seems to me that the house might well consider a system of appointing alternate members to committees. Quite frequently a committee has to meet on Monday and a member has not returned from his riding. If his party were able to name an alternate, that member could be there to take his place and it might be possible to provide a quorum. There have been many times, as the hon. member for Lapointe has said, when there have been enough members at committee meetings but not members named to the committee. It seems to me that this is a suggestion which might help to provide quorums and get the committee sessions under way. I would like to suggest again that this matter is not going to be settled in the house, but that a committee dealing with committees should take this matter under advisement very soon.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I should also like to protest the suggestion that quorums of committees be reduced. I have found in any organization in which I have previously been involved that only a few people participate actively in the real work of the organization. However, I believe in this particular situation in the House of Commons we are only a few—265 representatives—of the 20 million people who elected us. I believe the people of Canada have the right to expect that their representatives will concern themselves with

the business of the nation, and that concern should be a continuing one as long as this house is in session.

It might be a good idea to recall the situation which brought about the hearings of the committee on broadcasting. The intention was to debate the whole issue on the floor of this house, but rather than use the time of the house when we have so much other business to attend to the suggestion was that the matter should be turned over to the standing committee on broadcasting. It seems to me that those who favoured the plan to turn it over to committee and those who opposed this plan have a common interest in seeing that a quorum for the committee is maintained, and that we should take the committee work seriously. I will agree that it is not a good thing to see the press and witnesses waiting for hours for a quorum to develop, but I do not believe there would be any improvement if the membership of the committee is reduced to nine when the membership of the entire committee is 25. If we have to reduce it to as low as nine we will be throwing out the balance which a committee should have in hearing the important issues placed before it.

How can such a committee possibly have the temerity to ask witnesses to come from great distances and from important duties to present their case to such a small group of members of parliament? I cannot see any witness looking at us very favourably under such circumstances. I would suggest that we take our duties a little more seriously than we have been doing, and that the alternatives which have been suggested by previous speakers be considered and tried before we act on the easy suggestion of reducing the size of the quorum.

• (3:00 p.m.)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I fully agree with the remarks of my colleague, the hon. member for Lapointe (Mr. Grégoire). All the members of the house know that the committee on broadcasting, films and assistance to the arts consists of 25 members, 13 of whom are Liberals.

Now we are asked to reduce the quorum from 13 to nine, that is four less than the number of Liberals assigned to that committee, the committee on broadcasting, films and assistance to the arts.

Mr. Speaker, I said last week that it is no more important to reduce the quorum of committees than to reduce the number of committees. We have some 23, 24 or perhaps 25 parliamentary committees, where members of the Liberal party and of the opposition parties make an appearance. Now, we of the Ralliement Créditiste have no members on eight of those committees. There are two points of view in that respect.

Mr. Speaker, I sincerely believe that the hon. member for Lapointe is right in asking that the quorum be left as it is. If the Liberals cannot take their responsibilities concerning the committee in question, they should not lay the blame on the others; let them attend the meetings and the other members will also attend, as they are doing now.

And, Mr. Speaker, to support my colleague from Lapointe, I say that we cannot agree to the quorum of the committee on broadcasting, films and assistance to the arts being reduced. But we are ready to co-operate with the House of Commons as a whole to get results, not results to please the hon. member for Hochelaga (Mr. Pelletier), for instance, who is chairman of that committee. The hon. member for Hochelaga told us himself last Friday night on the television program *Les couche-tard*—I saw him then—that he did not know what was going on in Ottawa but that he was there just the same. So he is here, we see him here right now, however we cannot accept any suggestion from the hon. member for Hochelaga. We want results and we will get them if each member assumes his responsibilities, if each member—

Mr. Pelletier: Mr. Speaker, on a question of privilege. First, I think that the hon. member for Villeneuve quoted me so freely that I failed to recognize the remarks he attributed to me. Second, we are discussing at this time the suggestion from the majority of the committee, not from a single member.

Mr. Caouette: Mr. Speaker, was there really a point of order in what the hon. member for Hochelaga just said?

An hon. Member: No, a question of privilege.

Mr. Caouette: Neither a question of privilege. I heard the hon. member for Hochelaga on the program *Les couche-tard*—

Mr. Speaker: Order. I would ask the hon. member for Villeneuve to keep to the matter now before the house, that is the resolution in the name of the hon. member for Hochelaga.

Mr. Caouette: Then, Mr. Speaker, will you give a ruling about the question of privilege raised by the hon. member for Hochelaga?

Mr. Speaker: I will study the matter.

Mr. Caouette: May I expect an answer before next week, Mr. Speaker?

In any case, I think that even if the hon. member for Hochelaga is very active in the committee of which he is chairman, several of his fellow members from the Liberal party forget to attend its meetings.

Therefore, under the circumstances we cannot accept the suggestion that the quorum be reduced from 13 to nine. We ask that it be set at 13, that it remain at 13 and that the committee do its work in a constructive rather than a negative way. And the hon. member for Hochelaga is well versed in positive terms.

Now, I would ask him, through you Mr. Speaker, to call on his friends in the Liberal party to attend the committee sittings, and then we would not have to be concerned with reducing the quorum, but we would instead be concerned with increasing it to achieve tangible results, positive results concerning broadcasting, films and assistance to the arts as we are not discussing in parliament.

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I agree with the hon. member for Lapointe (Mr. Grégoire) that it would be unseemly at this time to reduce the quorum of the committees for reasons obvious to all.

One of those reasons is that, not so long ago the house voted an increase in parliamentary indemnity, and the people would not look kindly upon an apparently unexplainable measure to reduce the quorum of the committees.

By the way, Mr. Speaker, I am not so sure that the committee is truly overworked, because in my own personal case and in the case of some of my colleagues, I know that we are members of three committees that have been convened only twice in the past four months. We surely can handle more than that.

There may be another reason, deeper than that mentioned by some of my colleagues. Reading the newspapers and magazines, we have heard, we have read recently that there were in the house and in all parties, members called the "Young Turks" who are complaining that they are not kept sufficiently busy and are not carrying enough responsibility. I think it would be sound psychology to give them work to do and keep them occupied in committees.

Mr. Speaker, I think the crux of the matter is to find means to get members to attend the committees. There are several. I think the right hon. Leader of the Opposition (Mr. Diefenbaker) mentioned one worthy of consideration when he spoke of television. At these committee sittings, when members realize that the roll is called in front of television cameras and that their constituents will see they are absent without valid reason, they will then probably want to attend more often.

Accordingly, I shall second the proposal made by the hon. member for Lapointe.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I believe it is quite evident to the members of the committee which designed the rule changes that some modifications are necessary in these rules. I believe if we reduce the quorum of this committee now to nine we will have to reduce it again in a matter of a week or two to five. We are increasing the number of committees that are meeting, and I think this must be taken into consideration. The answer to the problem really is not a reduction of the quorum, but rather to persuade the members of committees that the committees are worth attending. Then arrangements should be made so they can attend those meetings.

I think this is a matter which concerns the house, and it certainly concerns the house leaders. There are 16 committees now constituted. The meetings of these committees have to be carefully arranged so they can get a quorum and the members will find it possible to attend meetings. The reduction in quorums might solve the problem for the government temporarily, but it really does not solve the problems of the committees and make it possible for them to work properly.

• (3:10 p.m.)

The question of consideration of the estimates is also affected. We agreed to give the committee procedure a fair shake for a year to see whether we could overcome the problems. We are not doing this now because we are asking for a reduction in quorums and this eliminates the government's responsibility in connection with this matter. I suggest this procedure does not give the new committee procedure a fair chance. It is up to the house leader to call a meeting of committee

members and representatives of the other parties in order to reduce all quorums. If half the members is too much then let us reduce it to one third. I think it is unfair to the country, unfair to members of parliament, yes, and unfair to the operation of the committees themselves to reduce the quorums unless they are reduced for all other committees.

The actions of some committee members have strangled the committees. When members hedge-hop from one committee to another the proceedings have to be started over again, and I think it is the government's responsibility to make sure that the system works. However, to reduce this quorum, without reducing the quorums of other committees, is to continue a bad situation. I suggest that this type of motion ought not to be introduced now by the chairman of a committee. Instead, I think the government ought to consider revising the committee structure that does not seem to work. The number of members necessary for a quorum should be decided, but we should avoid doing it in the haphazard way that has developed.

The present system does not seem to work. It should therefore be overhauled. I think anything less is not fair to members of parliament, and would not be fair to the rule changes that were made to correct the way things were going.

Hon. J. A. MacLean (Queens): Mr. Speaker, I think nearly full attendance in the committees could be expected if it could be arranged that committees sit when debates on their reports are taking place in the house.

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, I support the suggestion made by the hon. member for Burnaby-Richmond to the effect that this motion be approved as an interim measure, but we ought not to lose sight of more important reforms of the committee structure that are necessary.

Also I wish to support some of the ideas expressed by the hon. member for Lapointe. However, I wish to take this opportunity to correct his eloquent and repetitious inaccuracies. He insists that the failure of the committee system in this case is to be laid at the door of the government members on the broadcasting committee, as this is the one we are discussing. My recollection is that the report of this committee was approved almost unanimously by that committee, but that the hon. member for Lapointe was not present at the time.

[Mr. Peters.]

[*Translation*]

Mr. Grégoire: Mr. Speaker, I wish to speak on a question of privilege.

I took care, a few minutes ago, to mention that when I was not attending the committee it was because I was in the house. Last Tuesday when the committee sat I was in the house to listen to the statement by the Prime Minister (Mr. Pearson). I believed that was more important to me than to attend the committee on broadcasting. I was not absent from parliament then; I was sitting elsewhere.

I would ask the hon. member for York-Scarborough (Mr. Stanbury) to withdraw his remarks.

There are 25 members on the committee; I am the only representative of my party and I attend the meetings. However, 13 are colleagues of the hon. member, but so many are absent that there is no quorum.

I ask the hon. member to withdraw his remarks.

Mr. Speaker: Order. The hon. member for Lapointe cannot insist that the hon. member for Scarborough withdraw his remarks; I do not see on what basis.

Mr. Grégoire: Nothing is requested of those who do not have any sense of responsibility—

Mr. Speaker: Order.

[*English*]

Mr. Stanbury: I apologize for arousing the hon. member for Lapointe to such further eloquent inaccuracies. My recollection is that the statement of the Prime Minister was made at the time the committee was—

Mr. Speaker: Order, please. I point out to the hon. member that this discussion is entirely out of order. I would ask the hon. member for York-Scarborough to limit his remarks to what is before the house at the moment.

Mr. Churchill: Question.

Mr. Stanbury: I merely want to correct the record. The attendance of the Liberal members has been at least as faithful as that of any other members, and in that I include the hon. member for Lapointe.

An hon. Member: Question.

Mr. Speaker: Is the house ready for the question? Is it the wish of the house to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour of the said motion 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. Pickersgill: I wonder if there could be unanimous consent to having a count of the house without ringing the bells.

Mr. Grafftey: Hear, hear.

Mr. Speaker: Order, please. A suggestion has been made by the Minister of Transport that, by unanimous agreement, there be a count rather than a ringing of the bells.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Ricard: Mr. Speaker, may I say something in reference to what has just been said?

Mr. Speaker: Order, please. Call in the members.

• (3:30 p.m.)

The house divided on the motion (Mr. Pelletier), which was agreed to on the following division:

Division

YEAS

Messrs:

Aiken
Badanai
Baldwin
Batten
Béchard
Bell (Carleton)
Berger
Blouin
Bower
Brewin
Cadieux (Terrebonne)
Cantin
Chatterton
Churchill
Clancy
Clermont
Coates
Côté (Dorchester)
Danforth
Deachman
Diefenbaker
Drury
Émard
Fairweather
Fane
Favreau
Forbes
Forrestall
Grafftey
Gray
Greene
Gundlock
Habel
Hales
Hamilton
Harkness
Harley
Hees
Hellyer
Herridge
Honey
Hopkins
Isabelle
Jorgenson
Keays
Kennedy
Kindt
Laing
Lambert
Langlois (Chicoutimi)
Laniel
Leblanc (Laurier)
Lefebvre
Legault
Lewis
MacDonald (Prince)
Macdonald (Rosedale)
MacInnis (Cape Breton South)
Mackasey
MacLean (Queens)
Macquarrie
MacRae
McCleave
McIntosh
McKinley
McQuaid
Mandziuk
Marchand
Martin (Essex East)
Matheson
Matte
Monteith
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Munro
Nesbitt
Nicholson
Noble
Nugent
Orange
Pearson
Pelletier
Pickersgill
Pilon
Prittie
Pugh
Rapp
Régimbal
Ricard
Richard
Rinfret
Roxburgh
Sharp
Simpson
Smallwood
Stafford
Stanbury
Starr
Stefanson
Tardif
Teillet
Tolmie
Tucker
Turner
Walker
Winch
Winkler—107.

NAYS

Messrs:

Barnett
Cameron (Nanaimo-Cowichan-The Islands)
Caouette
Douglas
Gilbert
Godin
Grégoire
Howard
Howe (Hamilton South)
Johnston
Knowles
Langlois (Mégantic)
Laprise
Leboe
MacInnis (Mrs.) (Vancouver-Kingsway)
Martin (Timmins)
Mather
Mongrain
Patterson
Peters
Schreyer
Simard
Thompson
Webb—24.

Mr. Alkenbrack: Mr. Speaker, I was paired with the hon. member for Hull (Mr. Caron). Had I voted I would have voted against the motion.

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Mr. Gérard Pelletier (Hochelaga) moved that the sixth report of the standing committee on broadcasting, films and assistance to the arts, presented to the house on Friday, May 6, 1966, be now concurred in.

He said:

[*Translation*]

Mr. Speaker, there is a motion on the order paper stating that the committee on

broadcasting films and assistance to the arts begs leave to sit while the house is sitting every day, this week only.

• (3:40 p.m.)

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, before the motion carries I should like to say a few words.

Personally, I would not object to it, nor vote against it, because this request is only made for a limited time, this week.

Since the committee will not sit before eight o'clock tonight, we shall only miss one sitting of the house.

Mr. Speaker, the request made this afternoon by the hon. member for Hochelaga (Mr. Pelletier) shows that, once more, our whole committee system is poorly organized. We are asked to sit while the house is sitting. However, if we consider the business of the house for today and tomorrow only, we see for instance, that the house will be asked to vote on the setting up of the new Department of Manpower.

Thus, 50 or 60 members about will be called to sit on committees while the house is discussing matters as important as the setting up of a Department of Manpower, of a Department of the Solicitor General and the creation of the Department of Energy, Mines and Resources, as well as the setting up of a Department of Indian Affairs and Northern Development which will replace that of Northern Affairs and National Resources.

That is less important, Mr. Speaker; this would be the exception to the rule. While that department is being set up, very well, we can sit on the committees, but very important things will happen and, in spite of all that, some members will have to attend committee meetings.

That clearly shows, Mr. Speaker, that our committee structure is not up to date, that reforms are needed.

I think that the committee on the business of the house, which is under your chairmanship, Mr. Speaker, should convene to find a better procedure with regard to the creation and organization of committees.

The hon. member for York-Scarborough (Mr. Stanbury) said a short while ago that the attendance of the members of his party, or at least his own party in the house, was relatively good compared to that of the other parties. I am glad he did not give any statistics, because he would have found that he was talking through his hat and was not too well aware of the situation, because I remember one day when our party, although allowed only one member on a committee, had two and sometimes three members attending meetings and asking questions, which means that our party had three times as many members as it was entitled to, whereas some of the hon. member's colleagues who had been appointed members of that committee were not there. The hon. member is young and he needs more experience. He will learn.

Mr. Speaker: Order. I would ask the member for Lapointe to put an end to a discussion with the member for York-Scarborough, which has already been ruled out of order.

Mr. Grégoire: Mr. Speaker, I was only trying to clear matters up and set the record straight. I admit the discussion was out of order, but the member for York-Scarborough should learn to abide by the rules of this house. It is a bit hard, but with some goodwill, he will manage to do so.

Mr. Speaker, the request being submitted to us at this time proves that the whole organization system of committees should be changed, because when witnesses are called before the committee, we are asked to sit at the same time as the house, so that the witnesses are not summoned needlessly. I would not object, were it only for a limited period.

But I feel that my earlier suggestion or perhaps the one made by the member for York South (Mr. Lewis) which is somewhat along the same lines, asking that certain days be exclusively devoted to committee work when the house is not sitting, would provide a solution and I would ask you, Mr. Speaker, or rather the government house leader, to call together the business of the house committee in order to discuss the changes likely to be made in the operation and work of committees and to find a solution to the problem now facing us.

Mr. Speaker: The hon. member for Villeneuve.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, following the remarks made by my colleague for Lapointe (Mr. Grégoire), I shall only say this. The motion presented by the hon. member for Hochelaga (Mr. Pelletier) asking that the committee on broadcasting, films and assistance to the arts sit only this week seems to have been submitted

rather regularly over the past few weeks. Each of these committees is always asking us to sit for a limited time only, but may repeat the same request the following week.

I do not believe we can logically accept this suggestion or these suggestions. I said earlier, as pointed out last week, that if there are too many committees, we should reduce their number so as to allow members to attend the meetings of these various parliamentary committees, which should not sit at the same time as the House of Commons but outside the regular hours of the house.

Under the circumstances, Mr. Speaker, I do not think we can accept this suggestion, because for the last two or three months we have accepted suggestions to allow the committees to sit during parliament sittings. Some members of the Ralliement Créditiste were accused earlier of not attending committee meetings held outside the sittings of the house precisely because it is impossible to be in the house and at the committee meeting at the same time. That is why we cannot accept the suggestion or request of the member for Hochelaga.

Let the government members attend these sittings of the parliamentary committees and there will be a quorum. If there are charges to be made against other members of the house, they can be made following these committee sittings.

Mr. Speaker, we cannot accept the suggestion of the member for Hochelaga for the same reasons that we could not earlier accept a similar suggestion with regard to the passing of his fifth report before the one which is now before us.

Mr. Speaker, we have seen the cohesion, understanding and co-operation existing between the two old parties in the house; they fight one against the other but join forces when need be. We are not united with them, however, and we object to the passing of the sixth report as requested by the hon. member for Hochelaga.

[*English*]

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I should like to say a very few words in this regard. In view of the way the committees are constituted and the way the members have been organized I believe the committees should be allowed to determine their own course because of the fact that from time to time witnesses are called who must be dealt with as called.

It amazes me that in this connection the members of the Social Credit party are so quick to get up now to criticize the government concerning the committee system, when a few days ago when they had the opportunity to voice their criticism what did they do? We know what the answer is.

Mr. Ricard: They ran away.

Mr. Winkler: I am very happy to say that I supported the previous motion, and I think this suggestion by the committee chairman also should be supported because of the circumstances. If this is the committee's right, I think it should be supported by the house. If changes must be made, then they should be made in such a manner that the committee can conform to what the house desires. I am very proud of the record of my party in respect of the committee system this session.

[*Translation*]

Mr. Caouette: Mr. Speaker, the hon. member who has just resumed his seat, accused us of having supported the government. I may say that we acted quite openly, while he and his party have acted like hypocrites concerning the federal government.

[*English*]

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: On division.

Mr. Caouette: Not on division. Ask for a vote.

Mr. Speaker: All those in favour please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

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

And five members having risen:

Mr. Speaker: Call in the members.

Mr. Knowles: Mr. Speaker, could it be assumed that the members have now been called in? Could we not now take the vote?

Division

Mr. Speaker: Is there any objection to it being assumed that the members have been called in, and the count of the house taken now?

Some hon. Members: Agreed.

Some hon. Members: No.

• (3:50 p.m.)

The house divided on the motion (Mr. Pelletier) which was agreed to the following division:

YEAS

Messrs:

Aiken
Badanai
Baldwin
Barnett
Batten
Béchard
Bell (Carleton)
Berger
Blouin
Bower
Brewin
Brown
Cadieux (Terrebonne)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Chatterton
Churchill
Clancy
Clermont
Coates
Code
Côté (Longueuil)
Crossman
Danforth
Deachman
Diefenbaker
Douglas
Drury
Fairweather
Fane
Favreau
Forbes
Forrestall
Gilbert
Grafftey
Gray
Greene
Habel
Hales
Hamilton
Harkness
Harley
Hellyer
Herridge
Honey
Hopkins
Howard
Isabelle
Johnston
Keays
Kennedy
Kindt
Knowles
Laing
Lambert
Langlois (Chicoutimi)
Laniel
Leboe
Lefebvre
Legault
Lewis
MacDonald (Prince)
Macdonald (Rosedale)
MacInnis (Mrs.) (Vancouver-Kingsway)
Mackasey
Macquarrie
McCleave
McIlraith
McIntosh
McKinley
McQuaid
Mandziuk
Marchand
Martin (Essex East)
Martin (Timmins)
Mather
Matheson
Matte
Mongrain
Monteith
Muir (Lisgar)
Munro
Nesbitt
Noble
Orange
Patterson
Pearson
Pelletier
Peters
Pickersgill
Pilon
Prittie
Pugh
Rapp
Régimbal
Ricard
Richard
Rinfret
Roxburgh
Schreyer
Sharp
Stanbury
Starr
Stefanson
Stewart
Tardif
Teillet
Thompson
Tolmie
Tucker
Turner
Walker
Winch
Winkler—114.

[Mr. Knowles.]

NAYS

Messrs:

Caouette
Godin
Langlois (Mégantic)
Laprise
Webb—5.

Mr. Nicholson: Mr. Speaker, I was paired. Had I voted I would have voted in support of the motion.

[*Translation*]

INTERGOVERNMENTAL ADVISORY COMMISSION

AN ACT PROVIDING FOR ITS ESTABLISHMENT

Mr. J.-A. Mongrain (Trois-Rivières) moved for leave to introduce Bill No. C-177, an act to authorize the government of Canada to enter into negotiations for the creation of an intergovernmental advisory commission.

Some hon. Members: Explain.

Mr. Mongrain: Mr. Speaker, the point is to discuss with provincial governments the establishment of an intergovernmental advisory commission to be constituted like a similar commission existing in the United States about which I will have the opportunity to give some details later.

Motion agreed to and bill read the first time.

[*English*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PUBLIC WORKS PROJECTS, CHAPLEAU COUNTY, QUE.

Question No. 362—**Mr. Laprise:**

1. Among the projects which the Department of Public Works intends to carry out in 1965-66 in the county of Chapleau (a) which have been undertaken and completed (b) which are being carried out and when were they started (c) which have been postponed and when should they start, and (d) which have been abandoned?

2. In the same county, what are the projects the department is planning to carry out in 1966-67, and when should each of them normally start?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): 1.—(a) Amos, Federal Building—Replacement of boilers, replacement of concrete steps; Chibougamau, Post Office Building—Concrete retaining wall; Eastmain, Supply and delivery of floating wharf units; Lac Turgeon,

Wharf construction; Laferte, Wharf repairs; Laferte (lac Lois), Lighting system; La Reine, Wharf reconstruction; LaSarre, Post Office Building—Interior painting of Caretaker's apartment, new sump pump; Macamic, Post Office Building—Improvement to lawn area, exterior painting; Normental, Post Office Building—Exterior and interior painting; Senneterre, Post Office Building—Fencing and landscaping, exterior painting.

(b) Garden Island Lake, Launching ramp, October 20, 1965; Lac Matchi-Manitou, Wharf construction, December 1, 1965; Macamic (Lac Macamic), reconstruction of wharf and improvements, January 20, 1966.

(c) Chapais, Post Office Building—Exterior painting, July (approx.); Chibougamau, Post Office Building—Interior painting, November (approx.); Parent, Post Office Building—Interior and exterior painting, August (approx.); Senneterre, Launching ramp, July (approx.).

(d) Nil.

2.—Amos, Federal Building—Renovations, July (approx.); Beattyville, Launching ramp, August (approx.); Chapais, Post Office Building—Painting, paving and landscaping, August (approx.); Chibougamau, Post Office Building —Renovations, August (approx.); Clerval (Lac Abitibi) Wharf reconstruction, August (approx.); Lac Chicobi, Wharf reconstruction and ramp, August (approx.); Lac Simon (Abitibi Est), Reconstruction of wharf and approach, August (approx.); Laferte (Lac Lois), Wharf improvements, August (approx.); LaSarre, Post Office Building—Renovations, August approx.); Macamic, Post Office Building—Renovations, August (approx.); Parent, Post Office Building—Painting, September (approx.); Senneterre, Post Office Building—Renovations, August (approx.).

[*English*]

SUBSIDIES TO C.N.R. AND C.P.R.

Question No. 814—**Mr. Dinsdale:**

1. What annual subsidies are paid to (a) the Canadian Pacific Railway (b) the Canadian National Railway?

2. For what purposes are these subsidies paid?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1 and 2. If by subsidies is meant payments to the railways in respect of certain specific authorizations by parliament, the following payments are being made: Payments were made to companies subject to order No. 96300, dated November 17, 1958, of the Board of Transport Commissioners for Canada, of an aggregate amount of $20,000,000 in respect of the period April 1, 1964 to March 31, 1965, payable in instalments at such times as may be determined by the said board for the purpose of reimbursing the said companies for such diminution in their aggregate gross revenues during the said period as in the opinion of the said board is attributable to such companies maintaining the rate level for freight traffic at an 8 per cent increase instead of 17 per cent as authorized by the said order; and payments are also made to the said companies of an aggregate amount in respect of the calendar year 1964 of $50,-000,000 payable in instalments at such times and in accordance with such methods of allocation as may be determined by the said board for the maintenance by such companies of the rates of freight traffic at the said reduced level.

Paid to Canadian Pacific Railway 1964-65, $26,575,186; paid to Canadian National Railways 1964-65, $39,296,841. Payments were made to the Canadian Pacific Railway Company and the Canadian National Railway Company, equal to the annual cost of maintaining the trackage between specified points in Ontario on the transcontinental lines of the said railways and of directing the application of the amounts paid to a reduction in freight rates on traffic moving over the said trackage.

Paid to Canadian Pacific Railway 1964-65, $3,734,073; paid to Canadian National Railways 1964-65, $3,265,927. Payments were made to the railway companies operating in the select territory designated by the Maritime Freight Rates Act of the difference occurring on account of the application of the act between the tariff tolls and the normal tolls under approved tariffs on all traffic moved during the calendar year 1964.

Paid to Canadian Pacific Railway 1964-65, $856,032; paid to Canadian National Railways 1964-65, $12,515,000. Payments will be made to the railway companies subject to paragraph No. 2 of Order No. 103860, dated February 23, 1961, of the Board of Transport Commissioners for Canada, which paragraph authorized the railways to increase freight rates on export grain moving between certain ports on Georgian bay, the Great Lakes, the St. Lawrence river and the east coast, and which has been suspended by orders in council which have required the railways to continue in force the rates that were in effect on November 30, 1960, such payments to be based on the difference between the rates in force on November 30, 1960 and a compensatory level

of rates as approved by the Board of Transport Commissioners for Canada.

It is estimated that total annual payments to all railways will amount to about $3,000,000 and will apply to grain moved after January 1, 1966.

In addition annual payments are made to Canadian National Railways related to operating deficits on ferry services for Prince Edward Island, Newfoundland, and between Yarmouth and Bar Harbour, and on the Victoria bridge at Montreal.

Agreement in principle has also been reached to make a payment on account of the wage settlement in 1964, but the amount has not yet been finally determined.

PRINTING CONTRACTS, HURON COUNTY, ONTARIO

Question No. 1,028—**Mr. McKinley:**

1. Are there any publishing firms in Huron county receiving contracts for federal government printing?

2. If so, how many firms received such contracts and how much was each paid from the federal treasury in 1965?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Defence Production and Public Printing and Stationery as follows:

1. No.

2. Not applicable.

REPAIRS TO FEDERAL BUILDING, MONTMAGNY, QUE.

Question No. 1,210—**Mr. Berger:**

1. Was a letter carrier service recently established in the town of Montmagny and, if so (a) are repairs planned to the existing federal building (b) what kind of repairs are required (c) what is the approximate cost?

2. Have complaints been received from people in the neighbourhood of the federal building in Montmagny and, if so, is consideration being given to changing the existing coal heating system to an oil heating system in the building?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Post Office and Public Works as follows:

1. Yes. Letter carrier delivery service was placed in operation at Montmagny on March 7, 1966. (a) Yes; (b) General alterations to first and second floors, improvements to loading facilities, improvements to lighting and rewiring; (c) It is not customary to reveal the estimated cost before tenders are called.

[Mr. Byrne.]

2. A complaint regarding a smoke and ash problem was received in 1963. Certain modifications to the heating plant were made and no further complaints have been received. Due to the need for repairs to the heating plant, a study is now being made regarding the existing heating system.

COMMITTEE CONSIDERATION OF PAY FOR PILOTS

Question No. 1,279—**Mr. Dinsdale:**

1. Was the question of pay for pilots in Canada's armed forces reviewed by a special committee?

2. If so, what were the ranks and the aircrew trades of each member of the committee?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. A special study group was appointed by the defence staff to examine the question of pilot attrition in the Canadian armed forces. The study group's report, which included recommendations with respect to pay adjustments, was used as a basis for preparing a submission to treasury board recommending an increase in pay for pilots.

2. The study group was composed of four officers with pilot qualifications—three wing commanders and a flight lieutenant.

POSTGRADUATE SCHOLARSHIPS UNDER SPORTS COUNCIL

Question No. 1,300—**Mr. Hales:**

1. Does the federal government make funds available to the national advisory council on fitness and amateur sport for postgraduate scholarships and, if so, how much?

2. Are any persons now receiving grants in this regard and, if so (a) how many (b) how much is being paid to each person (c) how many of these have 0-5 years teaching experience (d) how many have 5-10 years teaching experience (e) how many are single (f) how many are married with no family (g) how many are married with family?

Hon. A. J. MacEachen (Minister of National Health and Welfare):

1. Yes. $208,037 was made available during 1965-1966.

2. Yes.

(a) 128 students

(b) Doctoral scholarships—1965-1966

23 full year students received $2,000 each or	$ 46,000
21 of these students also received dependant's allowance of $500 each or	$ 10,500
A total sum for travelling expenses amounted to	$ 2,085

17 short term students received a total of	$ 17,550
Master's scholarships—1965-1966	
44 full year students received $2,000 each or	$ 88,000
A total sum for travelling expenses amounted to	$ 3,622
43 short term students received a total of	$ 37,200
1 special fellowship was granted	$ 3,080
Total funds made available	$208,037

(c) 79. (d) 49. (e) 33. (f) 23 (g) 72.

TERMINATION OF EMPLOYMENT, ATOMIC ENERGY WHITESHELL ESTABLISHMENT

Question No. 1,310—**Mr. Schreyer:**

1. Has anyone in the employ of the Atomic Energy of Canada Limited Whiteshell Establishment been asked to resign at any time in the last four months or, was anyone in the employ of the Atomic Energy of Canada Limited Whiteshell Establishment terminated of his employment in the last four months?

2. Was anyone at the Atomic Energy of Canada Limited Whiteshell Establishment told by any of his superiors that he was a security risk?

3. If anyone at the Atomic Energy of Canada Limited Whiteshell Establishment has terminated his employment there in the last four-month period, what reasons were given for doing so?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): 1. Yes.

2. No.

3. On the assumption that the word "terminated" relates to the substance of No. 1, the answer is that the services of two employees have been terminated in the last four months due to unsatisfactory performance of work.

PROVINCIAL REPRESENTATIONS RESPECTING ESTATE TAX

Question No. 1,317—**Mr. Bell (Carleton):**

1. Since April 23, 1963, have any representations been made by any provincial governments to the effect that the federal government should vacate the field of estate tax?

2. If so, from what provincial governments and on what date was each such representation made?

3. What consideration has been given by the government to any such representations?

Hon. Mitchell Sharp (Minister of Finance): 1. Yes.

2. Quebec and British Columbia at the November 1963 federal-provincial conference; Quebec at the federal-provincial conference March 1964; and Alberta by letter of April 20, 1965 transmitting the resolution adopted by the provincial legislation on April 15, 1966.

3. At the November 1963 federal-provincial conference Canada agreed to raise the provincial share of the federal estate tax from 50 per cent to 75 per cent for provinces that did not impose a provincial succession duty tax and to increase the federal tax credit from 50 per cent to 75 per cent on estates domiciled in provinces imposing a provincial succession duty.

At the October 1964 federal-provincial conference the federal and provincial governments adopted the terms of reference of the tax structure committee. Among other matters, the committee was directed to study and report on:

4. The tax fields that should be used exclusively by the federal government and by the province and municipalities and the fields in which joint occupancy is desirable.

PAY PROMISES TO AIRCREW

Question No. 1,323—**Mr. Enns:**

1. Was it the policy of the Department of National Defence before April 1, 1966, when recruiting for aircrew candidates, to promise equal pay and career opportunities for all aircrew?

2. If so, does an aircrew officer have the option to resign from the service at his convenience, without penalty of pension or other benefits, in the case of a breach of this promise?

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

2. Not applicable.

NEGOTIATIONS ON TROIS-RIVIÈRES GRAIN ELEVATORS

Question No. 1,330—**Mr. Mongrain:**

Did the National Harbours Board send Mr. John Lloyd to negotiate with the Trois-Rivières' municipal council concerning the grain elevator in that city and, if so (a) when (b) what suggestions did the National Harbours Board representative make?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: 1. Negotiations were not conducted by board member J. E. Lloyd with the Trois-Rivières municipal council as such.

2. Mr. Lloyd has had several meetings with Mayor Gaston Dufresne of Trois-Rivières and

J. G. Cyr, president of the Trois-Rivières Chamber of Commerce. The meetings took place on December 16, 1965 and February 24 and April 5, 1966 and were undertaken as a co-operative effort to identify steps that could be taken by the grain elevator company to minimize its local taxation and N.H.B. charges.

3. The grain elevator company has appealed the local assessment valuation of its property. That is a matter entirely between the company and the city's assessment court of revition and therefore not open to negotiation between the city and the N.H.B.

4. In so far as N.H.B. is concerned, it has agreed to arrangements with regard to a lease of vacant land that will lessen the 1966 rental and tax costs of the grain elevator company.

AIR CONDITIONING SYSTEM, H.M.C.S. "BONAVENTURE"

Question No. 1,332—**Mr. Forrestall:**

Is it now the intention of the government to install an adequate air conditioning system in H.M.C.S. *Bonaventure* during its half-life refit to serve the several mess decks, the main engine room, boiler rooms, etc.?

Hon. Léo Cadieux (Associate Minister of National Defence): During the design stages of the half life conversion of H.M.C.S. *Bonaventure* considerable attention was paid to improving the habitability of the vessel. As stated in reply to Starred Question 606, at page 1859 of *Hansard* on 28 February 1966, additional air conditioning and ventilation is being provided to electronic compartments as well as to dining halls and living space, together with other habitability improvements. The combined engine and boiler rooms are not being air conditioned. Due to weight and space limitations, habitability cannot be expected to reach the standard of ships of the latest designs.

HISTORIC SITE—HOME OF HON. JEAN-CHARLES CHAPAIS

Question No. 1,336—**Mr. Bell (Carleton):**

1. Have any proposals been made to the government that the original home of Hon. Jean-Charles Chapais, a father of confederation and Canada's first minister of agriculture, at St. Denis in the county of Kamouraska, be made a national museum as a rural memorial to confederation?

2. If so, what was the nature of the proposals, by whom were they made and what attitude has the government taken to them?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Yes.

[Mr. Byrne.]

2. The Canadian Historical Society so proposed in 1964. The matter was referred to the Historic Sites and Monuments Board of Canada, who recommended that the building be declared of national historical importance. Consequently, in line with the policy governing the preservation of buildings of national historical importance, the Department of Northern Affairs and National Resources is presently negotiating an agreement with the province of Quebec by which acquisition and restoration costs will be shared, and the house established as a national historic site open to the public.

SHIPPING ACT EXEMPTIONS

Question No. 1,338—**Mr. Béchard:**

1. From January 1, 1965, to date, how many exemptions pursuant to section 137 of the Canada Shipping Act have been granted to ships operating in Canadian home trade, inland and minor waters relieving them from the requirement to carry (a) duly certificated masters (b) duly certificated mates (c) duly certificated engineers?

2. For what reason or reasons were these exemptions granted?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. A report of all exemptions granted during the calendar year 1965 has already been tabled in the house on April 26, 1966. From January 1, 1966 to April 22, 1966, 53 ships were exempted; (a) 36 of these exempting the ships from the requirement to be provided with a properly certificated master; (b) 23 exempting the ships from the requirement to be provided with properly certificated mates; and (c) 216 exemptions have been issued for engineers.

2. These exemptions were granted because no properly certificated persons were available for employment.

SAFETY RECORD, AGENCE MARITIME INC.

Question No. 1,340—**Mr. Béchard:**

What has been the safety record of ships operated by Agence Maritime Inc. to date?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): No accidents have been reported as having happened on board or to vessels operated by Agence Maritime Inc., to date, April 22nd, 1966.

UNIDENTIFIED FLYING OBJECTS—INVESTIGATION BY TRANSPORT DEPARTMENT

Question No. 1,344—**Mr. Howe (Hamilton South):**

1. Has the Department of Transport ever undertaken an investigation of reported unidentified flying objects and, if so, during what period?

2. Have results of such investigations been made public?

3. Are such investigations being carried out at this time and, if not, is consideration being given to the institution of such investigations?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. A small group within the Department of Transport conducted spare time investigations between December 1950 and August 1954.

2. No.

3. No.

ARMED FORCES ENLISTMENTS AND DISCHARGES

Question No. 1,347—**Mr. Forrestall:**

1. What have been the total enlistments at the commissioned and non-commissioned levels during the months of January, February and March, 1966, by each branch of our armed services?

2. By month, what have been the number of discharges and/or resignations at each level since January 1, 1966, by each branch of the armed services?

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

	January 1966			February 1966			March 1966		
	Navy	Army	Air Force	Navy	Army	Air Force	Navy	Army	Air Force
1. Enlistments									
Officers including cadets	5	10	39	2	53	15		7	38
Other ranks	157	215	191	213	473	246	171	490	221
2. Releases									
Officers including cadets	40	96	73	51	73	103	29	68	97
Other ranks	321	532	367	258	463	370	290	543	297

CARIBOU IN CAPE BRETON NATIONAL PARK

Question No. 1,349—**Mr. Muir (Cape Breton North and Victoria):**

Has the government's study of a proposal to re-establish caribou in the Cape Breton Highlands national park been completed and, if so, what is the final decision?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. The feasibility study has been completed, was satisfactory and the decision is to go ahead with the re-establishment pending specific evaluation of potential parasite problems by the Canadian wildlife service which is investigating the matter in consultation with provincial game officers.

EIGHT HOUR DAY FOR FIREFIGHTERS, POINT EDWARD BASE

Question No. 1,360—**Mr. Muir (Cape Breton North and Victoria):**

Is it the intention of the Department of Transport to implement an 8 hour day with particular reference to the firefighters employed at the Point Edward Naval Base, Nova Scotia and, if so, how soon will this take place?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The department is studying the hours of work of all firefighters employed in the department at various locations across Canada which may result in a future change.

MANPOWER MOBILITY LOANS, NOVA SCOTIA

Question No. 1,361—**Mr. Muir (Cape Breton North and Victoria):**

1. Under the manpower mobility program, have any persons received grants or loans through the offices of the National Employment Service at (a) Sydney Mines (b) North Sydney (c) Sydney, Nova Scotia and, if so, how many?

2 Have any persons been refused in each of these offices and, if so (a) how many (b) for what reasons?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. Yes, (a) Sydney Mines: one person has received a grant; (b) North Sydney: none; (c) Sydney: 38 persons have received loans and 20 have received grants.

2. Yes, (a) Sydney Mines: two applicants for grants; North Sydney: none; Sydney: seven applicants for loans and four applicants for grants; (b) Sydney Mines: of the two applications for grants which were not authorized one was not approved because the worker did not apply within three months of moving to his new area of employment and one because the employer in the area to which the worker wished to move did not confirm that he had a vacancy for the worker concerned; Sydney: of the seven applications for loans which were not authorized five were not approved because employment was available locally for the workers concerned, one because the worker left his last employment voluntarily and one because the employment to which the worker wished to move did not offer reasonable prospects of permanent re-establishment for him. Of the four applications for grants which were not authorized one was not approved because the employment to which the worker wished to move did not offer reasonable prospects for his permanent re-establishment; two applications were for transportation only and the employer authorized the payment of the transportation; one application was from a worker who was returning to his regular employment.

ABANDONMENT OF BURNED OUT TRAWLER

Question No. 1,375—**Mr. Crouse:**

Did H.M.C.S. *Gatineau* leave the burned out fishing trawler *Karen B* after the crew abandoned her on April 1, 1966, before the arrival of the Halifax-based tug *Foundation Vigilant* and, if so, for what reason?

Hon. Paul Hellyer (Minister of National Defence): 1. The circumstances pertaining to the fishing trawler *Karen B* were as follows: On 1 April, 1966, fire broke out on board the *Karen B*, which was approximately 100 miles off Halifax. A distress message was sent and the crew of 14 took to a life raft. Two Sea King helicopters were promptly dispatched from Canadian forces base Shearwater and the crew of 14 and a dog were picked up and flown to Shearwater.

H.M.C.S. *Gatineau*, which was at sea, was diverted to the position of the *Karen B*. When she arrived, later in the day, the fire was out and the *Karen B* was out of danger. Having ascertained that the trawler was seaworthy, that a Canadian salvage vessel was on its way, and that there were no other ships within 20 miles of the *Karen B*, the *Gatineau* resumed operations.

[Mr. Munro.]

As was demonstrated in this instance, the navy responds immediately to any emergency at sea and takes all possible action to save lives and property. The navy does not normally involve itself in salvage operations, however, leaving this to salvage companies who derive their revenue from this type of work and strongly object to the navy becoming involved in salvage operations thereby establishing claim by naval personnel to salvage entitlements.

POSTAL STATION "F", HAMILTON, ONT.

Question No. 1,378—**Mr. Howe (Hamilton South):**

1. Does the government propose the establishment of postal station "F" in Hamilton, Ontario and, if so, what site, if any, has been chosen?

2. Have tenders been called for the construction of a building to house postal station "F" and, if so, has any bid been accepted?

3. What is the proposed date for the completion of these facilities?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes. A site has not been selected.

2. Tenders have not been called.

3. Not applicable.

BRIDGE CONSTRUCTION, FUNDY NATIONAL PARK ENTRANCE

Question No. 1,384—**Mr. Bell (Saint John-Albert):**

1. Does the government intend to build a new bridge at the southeast entrance to Fundy National Park at the village of Alma in Albert county, New Brunswick and, if so (a) has work started on this new bridge (b) what is the completion date?

2. Will the existing bridge at this point be repaired for the coming summer season and, if so (a) when (b) have alternative routes been considered?

3. Was there a loss in number of tourists and dollars owing to the bridge restriction last summer and, if so, what is this estimated loss?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. The bridge in question is the property of the province of New Brunswick. As it is the prime entrance to a national park, and as a portion of the structure lies within the park, the federal government has held meetings with the province to negotiate a cost sharing agreement for a replacement structure. This agreement has been submitted to the provincial government for its consideration and this is where the matter stands at the present time. (a) No; (b) the tentative completion date is June 15, 1967.

2. The existing bridge underwent repairs last August which should suffice for the coming summer season. (a) N/A; (b) an alternate route to the park exists via highway No. 14 which joins the trans-Canada highway near Sussex, New Brunswick.

QUESTION PASSED AS ORDER FOR RETURN

NATIONAL GALLERY WORKS OF ART

Question No. 751—**Mr. Stanbury:**

1. How many works of what artists are in storage at present in the National Gallery?

2. What steps are being taken to display such works?

3. What works of art in the National Gallery are available in reproduction?

4. What consideration is being given to expansion of the number of works available in reproduction from the National Gallery?

Return tabled.

UNITED NATIONS

POSSIBLE ACTION AGAINST RHODESIA BY AFRICAN COUNTRIES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct my question to the Secretary of State for External Affairs. It is a matter of great urgency concerning the question of whether a new resolution is to be brought before the security council by the African nations seeking further action against Rhodesia. Britain is trying to dissuade this group from so doing in order to continue the talks that are now going on in London between the British government and the Rhodesian government.

As 36 African states have this action in mind and as it was a result of Canada's action that many of these states found their way into the United Nations, what is Canada's stand on this question? Is it playing its part to try to bring about a postponement of any such resolution at this time? Has it communicated with the various African states, and has it joined with Britain in its request that action be not taken in the United Nations at this time but rather should await the conclusion of the discussions or such further action as Britain may take?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there have been discussions with some African countries in London, and in the special committee on colonialism at the United Nations. Canada strongly supports the view that an opportunity must be given to assess the effectiveness or non-effectiveness of the sanctions program. This is the position we have been taking in London and we have also made it clear in the United Nations that we think this course should be followed.

We have also pointed out that to resort to force in current circumstances could have serious implications for the multiracial character of the Commonwealth. Instead of meeting the objective which some countries have in mind such action could create a much more serious situation. We believe there is evidence that the course taken by the British government and by Canada and other counties both inside and outside the Commonwealth may be achieving results. In view of the exploratory talks that are now under way, it would be tragic if the opportunity were not taken to await the outcome of these discussions. I hope this will be the course that will be followed.

Mr. Diefenbaker: I give of course, complete support to what the minister has said. Now I ask him, has the Canadian government communicated with the African nations outside the Commonwealth and impressed upon them the seriousness of any action that might be taken at this time and the dangers inherent in precipitate action?

Mr. Martin (Essex East): Mr. Speaker, in the discussions we have had at the United Nations—I will not say with all the African countries at the United Nations, but with some of those countries from inside as well as outside the Commonwealth—we have taken this position.

TRANSPORT

ST. LAWRENCE SEAWAY—HEARINGS ON PROPOSED TOLL INCREASES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Transport. Has he received a telegram from Mr. Stuart Armour, president of the Great Lakes Waterways Development Association, protesting the fact that although the hearings regarding seaway tolls have not yet commenced and are not to begin until May 25, Mr. Delmer E. Taylor, a member of the St. Lawrence Seaway Authority, is quoted as saying, "There has already been considerable support for the toll increases proposed by the authority." I ask the minister whether he has received this protest, what action he is

taking with regard to it, and whether the opinion expressed by Mr. Delmer E. Taylor represents the government's policy with reference to an increase in tolls on the St. Lawrence Seaway.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I have received Mr. Armour's telegram. I dictated a reply to it, which I do not think I have yet signed, in which I pointed out that this parliament decided that tolls should be levied which would over the years pay for the seaway and that I could not see any good reason why a member of the seaway authority should not advocate carrying out the law any more than I could see why Mr. Stuart Armour should not be quite free to advocate changing the law.

Mr. Douglas: A supplementary question, Mr. Speaker. If this matter has already been decided by the members of the seaway authority, may I ask the minister what is the purpose of the hearings commencing May 25?

Mr. Pickersgill: It is not a matter for decision by the authority at all; it is a matter for decision by the government, and the government is going to await the hearings. But it does not seem to me that is any reason why a member of the authority should not point out what the law now is.

Mr. A. D. Hales (Wellington South): A supplementary question to the minister, Mr. Speaker. Has the minister or the government any intention of replacing the tolls on the Welland canal?

Mr. Pickersgill: Mr. Speaker, I think the government's position—

Mr. Speaker: Order, please. This question concerns general policy and is not so urgent that it should be allowed at the present time.

[*Translation*]

HOUSING

HULL, QUE.—REQUEST FOR RELAXATION OF RESTRICTIONS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I put a question to the Minister of Finance?

Has the minister recently received representations from the Homebuilders Association of Hull and Ottawa concerning the present policy and, if so, is it the minister's intention to revert to a policy favouring the maintenance of residential construction?

[Mr. Douglas.]

[*English*]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the housing policy of the government was enunciated by the Minister of Labour the other day, and I have nothing to add.

NATIONAL CAPITAL COMMISSION

POSSIBLE LEGISLATION TO CREATE FEDERAL DISTRICT

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the Minister of Public Works in his capacity as the minister responsible for affairs relating to the national capital area. In view of remarks attributed to the minister over the week end regarding the need for the restructuring of the Ottawa city type of municipal government leading toward a federal district for the Ottawa area, would the minister inform the house whether it is the intention of the government to introduce legislation to this effect?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I would have to point out that legislation restructuring the municipal government in Ottawa can only be passed by the provincial legislature and that this house does not have jurisdiction over this subject.

Mr. Frank Howard (Skeena): A supplementary question, Mr. Speaker. Would the minister, either directly or through the National Capital Commission, be prepared to attend meetings with municipal and provincial government officials with a view to seeing whether something can be worked out along these lines?

Mr. Speaker: Order, please. This question is not urgent.

AIR TRANSPORT

TORONTO-CHICAGO—SERVICE BY TWO CANADIAN CARRIERS

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to address a question to the Minister of Transport. In view of the fact that the new Canada-United States air agreement permits Canada to operate a second carrier on the Toronto-Chicago run, is it the intention of the government to permit Canadian Pacific Airlines to operate this second run in competition with Air Canada?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, all that is intended at the present time is what has already been announced.

Mr. Hees: Mr. Speaker, may I ask a supplementary question of the Minister of Transport. I take it then that the answer is no, the government does not intend to allow any competition with Air Canada on the Toronto-Chicago run?

Mr. Pickersgill: I think this is a fair interpretation of my answer.

[*Translation*]

CANADIAN CONSTITUTION

CONSIDERATION AT COMING DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to put a question to the President of the Privy Council who is in charge of federal-provincial relations.

My question arises out of the statement, yesterday, by Mr. Gérin-Lajoie, Minister of Education in the province of Quebec.

Is the minister in a position to tell the house whether the question of amending our constitution will be discussed at the federal-provincial conference to be held next month?

Hon. Guy Favreau (President of the Privy Council): Mr. Speaker, I must first say that I have not had the opportunity to examine the statement made by Mr. Gérin-Lajoie, as mentioned by the hon. member. As concerns the questions to be discussed at the next federal-provincial conference, I believe the Prime Minister will be making a statement on the matter.

[*English*]

Mr. Grafftey: May I ask a supplementary question, Mr. Speaker. I just received from the President of the Privy Council the answer to my question, for which I thank him. I should like to ask the Prime Minister if it is the desire of the federal government at the federal-provincial meeting next month to discuss questions of constitutional reform in the broadest sense.

Mr. Speaker: Order, please. My understanding is that when replying to the first question the minister indicated that a statement would be made in due course. In view of this I do not believe the question should be accepted.

Inquiries of the Ministry

LABOUR CONDITIONS

AMHERST, N.S.—LAY-OFFS AT ENAMEL AND HEATING PLANT

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Minister of Industry of which I have given him notice. Has the minister been informed of lay-offs which have taken place at Enamel and Heating, Amherst, and can he inform the house what action he has taken through his department to counter this situation?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I have been informed of production lay-offs at Enamel and Heating. This is a difficult situation. Enamel and Heating, aware of the fact that military overhaul and repair contracts were declining and were going to continue to decline, has been endeavouring to secure an additional work load through the production sharing program and, in relation to civil aircraft contracts, good progress has been made in getting additional work through production sharing with the United States. Unfortunately recent attempts to negotiate work for production of DC-9 components has not resulted in agreement between the Douglas Aircraft Corporation and Enamel and Heating.

It is hoped that we will be able to find some alternative form of work load in connection with the DC-9 program to what was originally proposed.

EXTERNAL AFFAIRS

SOUTH VIET NAM—REPORTED STATEMENT OF PREMIER RESPECTING ELECTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the very humane Secretary of State for External Affairs. Has the minister any comment or emotions with respect to action taken by the premier of South Viet Nam's military regime yesterday to stifle any political agitation which might come from his pledge to stay in power for another year, and with respect to the premier's statement that he will fight any government elected by the people of South Viet Nam that does not receive his approval?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my hon. friend gave me notice of his intention to ask this question. I have only seen a press report of Premier Ky's alleged statement, and I note Mr. Rusk has said it was not an accurate report.

Inquiries of the Ministry

As far as the government are concerned, we have frequently made it clear that we hoped elections could be held as a basis on which a popularly supported and broadly based government in South Viet Nam could proceed to develop peaceful and stable conditions in that country.

INDIA—PAYMENT OF FREIGHT ON GIFT OF WHEAT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wonder whether the Secretary of State for External Affairs is now in a position to answer the question I asked concerning the shipment of wheat by way of assistance to India. Will Canada pay the freight on the wheat shipped there? Otherwise it is the kind of gift which it is very difficult for a nation to accept, short as it is of foreign exchange.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, it is not the intention of the government to pay these costs. I may say that when Mr. Mehta, the minister of planning of India, was here last week he expressed very deep gratitude on behalf of the government of India for the assistance Canada has already announced it is going to give to India to meet the serious food situation. He also acknowledged with gratitude the fact that we proposed to cancel the some $10 million owing to Canada by India in respect of her food shipments in 1958.

Mr. Diefenbaker: Mr. Speaker, was Canada's $10 million to take the place of paying the freight on the wheat being shipped or about to be shipped in this connection?

Mr. Martin (Essex East): With regard to shipping costs we are, of course, following the same policy the previous government and all governments in Canada have followed in respect of this matter.

Mr. Diefenbaker: No, no.

Mr. Martin (Essex East): I would not want my hon. friend's question to give the impression that the food assistance which Canada is giving this year to India is insignificant. Our total food assistance this year will be in the order of $75 million.

Mr. Diefenbaker: How much is the freight, though?

Mr. Martin (Essex East): This permits a volume of assistance to India, which apart from the assistance which the United States is giving, is the greatest measure of aid that is being given to India by any country.

NATIONAL DEFENCE

CENTRALIA, ONT.—INQUIRY AS TO CLOSING OF BASE

On the orders of the day:

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of National Defence. Can the minister make a statement regarding the story in this morning's *Free Press* and tell us whether the Centralia Canadian armed forces base might be closed by this fall?

Mr. Speaker: Order. The hon. member will recognize that it is not in order to ask a minister whether a press statement is correct or incorrect.

Mr. McKinley: I will rephrase the question, Mr. Speaker. Is the Centralia Canadian armed forces base in danger of being closed this fall?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, as my hon. friend is aware one of the benefits to be derived from the integration of the armed forces is the reduction of overhead through eliminating duplication and triplication. Certainly so far as training command is concerned we anticipate there will be some base consolidation, and it is only in this way that we can achieve the savings which we expect to achieve from this process.

So far as the Centralia Canadian armed forces base in concerned, although the matter has been studied by training command no decision has yet been taken as to whether the base will be closed.

[*Later:*]

Hon. D. S. Harkness (Calgary North): Mr. Speaker, in view of the answer by the Minister of National Defence in connection with Centralia a few moments ago, I should like to ask him whether his policies in regard to the savings of manpower in defence forces have been so successful that he has now arrived at the point where he has only 22 naval ships in operation instead of the 60-odd which were there when he took over some two years ago.

Mr. Speaker: Order, please. The question is argumentative.

Hon. Michael Starr (Ontario): May I ask a supplementary question?

Mr. Speaker: Is the hon. member asking a supplementary question? The first one was not allowed. Perhaps this could be a new question by the hon. member for Ontario.

Mr. Starr: How does the Minister of National Defence explain the increase of $11 million over the expenditure for last year when he has told us he has been trying to save—

Mr. Speaker: Order, please. These two questions are argumentative, and I suggest to the minister he has no authority to reply to them because they have not been accepted.

[*Later:*]

Mr. McKinley: May I ask a supplementary question of the Minister of Industry. If some Canadian forces bases are closed, will his department help to secure other employment for the people affected?

Mr. Speaker: Order. The question is hypothetical.

AIRPORTS

OTTAWA—IMPROVEMENT OF ACCESS ROAD

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Having in mind the minister's very welcome reply as reported in today's press to the effect that federal aid is possible to help improve what passes for the airport road in Ottawa, my question is can the minister indicate when such action can be expected?

Hon. G. J. McIlraith (Minister of Public Works): No, Mr. Speaker, I cannot give a precise answer to the question at this time, but I hope it will be very soon.

TRANSPORT

PRINCE EDWARD ISLAND CAR FERRIES—HEARINGS ON FARE RATES

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is directed to the Minister of Transport. On Saturday of last week the minister announced that there would be a reduction in rates on the C.P.R. Northumberland ferries, for which I thank him very much. However, I should like to know how soon we might expect an inquiry into the proposed ferry rate structures, where the inquiry will be held and something about the terms of reference of this inquiry.

Mr. Speaker: Order, please. This question seems to be of a general nature. The hon. member has asked a number of questions with reference to a number of points. I suggest that he might place it on the order paper.

Mr. MacDonald (Prince): Mr. Speaker, perhaps I could confine myself to the first two points. I am primarily interested in when the inquiry will be held and where, because these are pressing and important matters in order that preparations can be made to make submissions to such an inquiry.

Hon. J. W. Pickersgill (Minister of Transport): It is the intention to have the chairman of the maritime commission go to Prince Edward Island to receive representations from any of the users who wish to make them. I anticipate that it will be Prince Edward Island only where the chairman will hear these representations. However, if there are some representations from people on the mainland we would endeavour to make arrangements for them as well, but I think the main interest is in Prince Edward Island.

Mr. MacDonald (Prince): When?

Mr. Pickersgill: As soon as can conveniently be done.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. J. R. Keays (Gaspé): I should like to direct a question to the Minister of Forestry, the minister responsible for the ARDA program, with regard to the studies which have been undertaken by the eastern Quebec planning board. Can the minister advise this house if the studies that are being made are based on the principle that poverty in the lower St. Lawrence is an accepted state of mind as stated by—

Mr. Speaker: This question also is argumentative and cannot be accepted.

PENSIONS

INQUIRY AS TO LEGISLATION REGULATING PRIVATE PLANS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I address a question to the Minister of Finance. Is the minister yet in a position to indicate when the legislation providing for the regulation of

pension plans that come under federal jurisdiction, promised in December, 1964 will be introduced?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, this matter is under discussion in the cabinet committee at the present time. We are not yet prepared to bring it before the house. We shall do so as soon as we have completed our consideration of this rather complicated matter.

POST OFFICE DEPARTMENT

RENAMING OF POST OFFICES AT DEFENCE ESTABLISHMENTS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a non-argumentative question for the Associative Minister of National Defence or possibly the Postmaster General. I should like to ask whether official action has been taken to rename post offices associated with defence establishments in line with the new designations of the Canadian forces.

Mr. Speaker: Order. This non-argumentative question should be placed on the order paper.

NATIONAL DEFENCE

RE-ENLISTMENT BONUS FOR THOSE WITH BROKEN TIME

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I have a non-argumentative but somewhat urgent question for the Minister of National Defence. Has the department yet made its decision with regard to a re-enlistment bonus for those with broken time in the armed services?

Hon. Paul Hellyer (Minister of National Defence): Not yet, Mr. Speaker.

BUSINESS OF THE HOUSE

REQUEST FOR MEETING TO IMPROVE WORK OF COMMITTEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Public Works, in his capacity as house leader, if he would call a meeting at an early date of those who are concerned in the matter to see if we cannot do something to improve the work of the committees of this House of Commons?

[Mr. Knowles.]

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, in answer to that question I should draw the attention of the house to the fact that the committee structure is operating much better than hon. members indicated in their remarks earlier today. For instance, in so far as the broadcasting committee is concerned it has had a wonderful record of attendance. I have the figures here for the meetings since that committee started, and I would be glad to place them on record if the house wished.

Mr. Knowles: Would the minister answer my question?

Mr. McIlraith: Not with the inference in the preamble to the question. If you ask the question without any inference I will be glad to answer it.

Mr. Knowles: May I ask the sensitive minister if he will call a meeting of those who are interested in looking at our committee structure.

Mr. McIlraith: Yes, I would be glad to do so, Mr. Speaker.

[*Translation*]

[*Later:*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a supplementary question to the house leader?

Since the attendance at the committee on broadcasting, films and assistance to the arts has been so good, is he in a position to tell us why a reduction in the quorum was asked for?

Mr. Speaker: Order, please. The hon. member's question is in the nature of an argument and is not in order.

[*English*]

GOVERNMENT ORGANIZATION

PROVISION FOR ESTABLISHMENT OF NEW DEPARTMENTS

Right Hon. L. B. Pearson (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting the organization of the government of Canada to establish a Department of the Solicitor General, Department of Manpower, Department of the Registrar General, Department of Indian Affairs and Northern Development, and Department of Energy, Mines and Resources; to establish the offices of the ministers of those departments and to provide for the respective powers, duties and functions of the ministers thereof; to establish the office of President of the Treasury Board; to provide for

the appointment of deputy heads of the new departments and for the appointment in the manner authorized by law of other officers and employees; to authorize the transfer of appropriations to the new departments and other departments to which the functions for which such appropriations were made are assigned; to amend the Financial Administration Act and the Salaries Act and generally to make such other consequential or incidental statutory amendments as are necessary to implement the changes to be effected by the said measure.

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

Mr. Pearson: Mr. Chairman, I am very pleased to be able to move the adoption of this resolution, item No. 56 on the order paper, which stands in my name. In doing so I think I can say, with general agreement, that the legislation contemplated in this resolution will be very important indeed in the conduct of government. The purpose of the resolution as set out in its opening words is:

—to introduce a measure respecting the organization of the government of Canada—

In moving the motion for the adoption of the resolution, I want to talk primarily about the purpose and the need for reorganization of government as proposed in the resolution. Then, Mr. Chairman, if the resolution carries, I shall be pleased to go into the matter in much greater detail on second reading of the bill.

The reorganization of administrative responsibilities which the government has undertaken, which is referred to in this resolution and which will be reflected in the proposed bill if the resolution is adopted by the house, constitutes the most extensive change in the administrative organization of government that has ever been made in peacetime. I am afraid we have had a tendency to ignore or at least, if not to ignore, to under-estimate, the importance of the administrative organization in achieving the substantial results which we expect from policies, results which are vital at a time when government is far more concerned with and is far more important to the life of the citizen, the productivity of our economy and indeed the character of our society, than has ever been the case before.

I put alongside the desirability, indeed, the necessity of reorganizing our parliamentary procedures to make parliament a more effective instrument in agreeing on policies, the necessity for that change to adapt parliamentary institutions to the needs of our contemporary society, the parallel need of reform in the administrative organization of government so that government as such will be able to achieve the substantial results and maximum effectiveness which we expect when policies are adopted by parliament. Results both in policy and in administration are vital, as I say, at a time when the government is so concerned not only with making the national economy work but with protecting and advancing the interests of the individual.

• (4:30 p.m.)

We are well beyond the point where it is even a matter of debate whether government should assume any responsibility for economy planning, for social adjustment, for individual welfare and for the basic nature of our society. All countries now recognize that effective organization and administration in government are an essential part of the complex inter-relationships that are a feature of our technical and rather affluent society.

If the role of policy making is vital, and it is, it is equally vital that administration should be well conceived and efficiently directed. Indeed, effective administration and organization lie at the core of many of our political problems. The reorganization which is now being undertaken and which is referred to in this resolution will, I believe, contribute in an important way to the effectiveness of government administration in important areas of national activity in the years ahead.

The broad outlines of the measures contemplated in this resolution are already known. Many of the proposed bills' more immediate objectives have already been implemented, as has been done in the past in similar circumstances, by the use of the Public Service Rearrangement and Transfer of Duties Act. Certain statutory changes are required to establish fully, formally and finally the new and the affected departments. The names of several departments have to be altered to reflect their new functions. It is interesting to note that while under the Public Service Rearrangement and Transfer of Duties Act it is possible, because parliament has given government this authority and power, to transfer duties in a very important way without further legislation, it is not possible, except by legislative change, to alter the name of a department. That is only one reason why, of course, legislation is required. Also, in some cases departmental structures have to be fitted to different roles and some legislation is required for this. The reorganization that I mention, Mr. Chairman, will, I

believe, facilitate more effective action in a number of important areas of government responsibility.

I have been glad to note that there has been widespread public approval of the changes that are being proposed. I believe this approval stems from public recognition of the changing needs of our times and the changing demands on government to meet those needs, and also that the structure of government be adapted to meet those needs.

The recent report of the Economic Council of Canada states in endorsing one important change, and I quote from the report:

> The area of greatest need for urgent and effective action is that of manpower and labour market policies . . . whether an active manpower policy is to be successful hinges critically on effective administration.

And the report goes on:

> It is essential that a proper administrative structure be established for co-ordinating labour market programs. This is an important initial step.

Along with the Economic Council, the government recognizes, in the words of the report, and I quote again:

> That the development of strong initiatives and effective policies to promote adaptability and mobility of the labour force, to facilitate the matching of demand and supply of labour, and to generate timely and useful information about labour market conditions, will yield high rates of return in relation to the resources required to implement them.

That is one change that is being proposed, Mr. Chairman, the setting up of a ministry which will deal with manpower problems.

The government has also decided that it would be a wise course to place immigration under the same minister as the minister dealing with manpower generally. Immigration policy obviously must be administered in the interests of the country and of the immigrants themselves in a context that takes into account the entire position of employment, training and placement in Canada. The association of the various aspects of manpower policies under the same minister should make it easier to implement programs and to implement them more effectively.

As hon. members know, the department of manpower will be in addition to and not be a replacement for the Department of Labour. The latter will continue its traditional and important role in conciliation and labour relations, in the field of labour standards and labour conditions generally. These are very important functions, especially in times of remarkable economic activity such as the present and of increasingly rapid change in the techniques of production that so affect, as they are affecting now, the position of labour. So there will be a very important role for the Department of Labour to continue to play.

It has become increasingly difficult for one minister to discharge fully both areas of responsibility at the present time. I speak of manpower on the one hand and labour relations on the other. With the attention of two ministers, one in the area of labour relations and the other in the area of manpower, placement and training, we will be in a better position than we were before to deal effectively with two of the most important aspects of our economy in the present climate of great domestic activity and high international competition.

A third department, Mr. Chairman, that bears directly on employment opportunity, productivity and the standard of living, is forestry, which the government organization bill seeks to have renamed and enlarged as the department of forestry and rural development. This change will recognize the increasing importance of the department's responsibilities for the government's program in agricultural rehabilitation and development. The program already extends well beyond agricultural matters to include a variety of instruments aimed at breaking what has been called in the Economic Council's report, from which I again quote:

> —the vicious circle of low productivity, low incomes, low government revenues and low investments in growth-promoting services.

The government will continue to recognize the special regional development problems, not only the ones which I just mentioned concerning agricultural development—

Mr. Diefenbaker: Could I ask the Prime Minister where this is referred to in the resolution?

Mr. Churchill: Where is forestry? Forestry is not in it.

Mr. Pearson: The resolution reads:

> That it is expedient to introduce a measure respecting the organization of the government of Canada to establish a Department of the Solicitor General, Department of Manpower, Department of the Registrar General, Department of Indian Affairs and Northern Development, and Department of Energy, Mines and Resources; to establish the offices of the ministers of those departments and to provide for the respective powers, duties and functions of the ministers thereof; to establish the office of President of the Treasury Board; to provide for the appointment of deputy heads of the new departments and for the appointment in the

manner authorized by law of other officers and employees; to authorize the transfer of appropriations of the new departments and other—

I hope I will come to it.

—departments to which the functions for which such appropriations were made are assigned; to amend the Financial Administration Act and the Salaries Act and generally to make such other consequential or incidental statutory amendments as are necessary to implement the changes to be effected by the said measure.

• (4:40 p.m.)

Mr. Diefenbaker: I think the resolution will have to be redrawn.

Mr. Pearson: I must confess to being a little disconcerted at the right hon. gentleman's intervention.

Mr. Diefenbaker: It is not there.

Mr. Pearson: Then perhaps I should say nothing further about that particular change, and I will not.

Mr. Diefenbaker: You will have to bring forward a resolution for it.

Mr. Pearson: Before I apologize to the committee perhaps the right hon. gentleman will allow me to try to find out the reason for the omission. This is, I believe, in the resolution: the government will continue to recognize the special regional development problems of the Canadian north through a department of northern development. Under the government organization bill, however, Indian affairs replaces national resources as the companion responsibility of the minister of northern affairs.

As the royal commission on government organization pointed out, the joining together of Indian affairs and northern development is a natural step which cannot but strengthen both the well-being of Canada's indigenous peoples and the cause of northern expansion and development. The new organization will place under one minister federal responsibility for both the Indian and the Eskimo people. This change will result in more effective work than has hitherto been possible and will help to eliminate differences in standards and treatment which have been a cause of some criticism and discontent.

The resource jurisdiction which has been connected with the development of the north will remain under the minister of northern development. Other resource responsibilities once located in the department of northern affairs have now been transferred to the Department of Mines and Technical Surveys. There they have been joined by various resource an energy responsibilities from the ministries of industry and trade and commerce. In the government organization bill all these will be fashioned to form a single department of energy, mines and resources. There will be one minister who will have both the facilities to develop and the authority to implement national policies with regard to the resource and energy responsibilities of the federal government with the exception of resource development in northern territories.

Resources and energy are, of course, closely inter-related. Energy, on the one hand, is the product of resource use; it is on the other, a key to the full application and use of our resources generally and we believe it is wise to have the two handled together if policy is to be of the greatest effectiveness and to contribute to our long term economic growth and development. The new organization will greatly facilitate this.

A totally different but no less vital instrument in the order growth and development of the Canadian society is the law itself. In this connection the government organization bill is concerned with re-shaping the Department of Justice and the Department of the Secretary of State, with raising the office of the Solicitor General to departmental status and with the establishment of a department of government, the department of the registrar general, which will bring together legislation and policy concerning existing federal responsibility for certain aspects of business activity.

In recent years governments have been much concerned with social legislation which has involved the establishment of economic mechanisms to achieve national purposes. All of this has enormously increased the burdens upon our law officers and legal advisers. It has also caused us to think more readily in terms of economic rather than strictly legal techniques for encouraging social action. In administering these techniques, under the present set-up we have tended to overload our legal advisers. This has resulted in a tendency to obscure the creative social role which the law itself can perform. It is in the context of correcting both these failings that the government organization bill will propose the completion of a radical reform of the Crown's law offices.

On the one hand, the Department of Justice and the office of the Attorney General of

Canada will be returned to the full time discharge of their traditional functions: the drafting of legislation and documents; the conduct of litigation and prosecutions. The appointment and maintenance of courts and quasi-judicial tribunals will rest here, where principle of justice and the lessons of history show they should reside. The R.C.M.P., criminal investigations, detentions, paroles and pardons, on the other hand, will be the full time responsibility of the Solicitor General in a department which, like the Home Office in Britain, will be separate and distinct from that of the Attorney General.

In addition to the Minister of Justice and the Solicitor General the government organization bill will provide for a third department, the Department of the registrar general, which will have charge of that aspect of legislation dealing with what might be called business law. Patents, trade marks, companies, bankruptcy and restrictive trade practices are all matters which have important economic as well as legal aspects. Legislation in these areas must not merely record commercial rights but protect the national interest and the rights of individuals and act as an instrument in the promotion of social and economic goals.

Hon. members will have noted that some of the areas of business law which I mentioned will be taken from the Department of the Secretary of State. The work transferred from this department will certainly be replaced by the transfer to it of the citizenship branch of the Department of Citizenship and Immigration. The government organization bill will seek the repeal of the Department of Citizenship and Immigration Act after making provision for the transfer of citizenship responsibilities to the Secretary of State. I am sure that this change will commend itself.

• (4:50 p.m.)

Given the nature and meaning of citizenship—the legal summation, if you like, of all that our country, our history, our form of government and our society stand for—we believe it is clearly best to place this with other responsibilities that relate to the non-material nature of our society such as the Canadian Broadcasting Corporation, the National Film Board, the Canada Council and the like. So these matters will all be in the Secretary of State's department.

A further feature of the bill that is of no small importance is the implementation of the recommendation of the Glassco commission to put the Treasury Board under a separate minister.

Mr. Knowles: Before the Prime Minister gets too far away from a question he raised, would he mind stating the relationship between the department of the registrar general and the President of the Privy Council, because it seems to me something was taken out of the Privy Council and given to the Registrar General?

Mr. Pearson: That is true, as a temporary measure. There is no necessary relationship in this particular resolution. It might well be desirable, and I emphasize that this is a possibility but not a decision, to make the President of the Privy Council the Registrar General, in which case he would have the function to go into this new department which will be discussed later. It might cover anything that the President of the Privy Council has now, and he has one or two things which will go to the department of the registrar general. I am thinking of bankruptcy. But these things will be discussed when the bill is before the house and then my hon. friend will see what it is proposed to do. All I am stressing now is that there is no necessary connection between the President of the Privy Council and the minister of the new department, the department of the registrar general.

Mr. Knowles: Did I understand that combines investigations would come under the Registrar General?

Mr. Pearson: If my hon. friend will have a look at the bill he will see that it is all laid out in detail, all the functions that are being transferred, and bankruptcy is included in these.

Mr. Diefenbaker: Who has that? The President of the Privy Council?

Mr. Pearson: Well, Mr. Chairman, I wonder if—

Mr. Diefenbaker: Mention was made of it. I would not have asked if the Prime Minister had not referred to it.

Mr. Pearson: This refers to the draft legislation, and I have said already—

Mr. Diefenbaker: But the Prime Minister said—

Mr. Pearson: Dealing with the department of the registrar general I think I did outline

what that department would deal with, and I said that patents, trade marks, company matters, bankruptcy and restrictive trade pracices are all matters which have important economic as well as legal aspects and could be transferred to the new department of the registrar general. I think that is as clear as I can make it on the resolution stage.

I was beginning to mention an important and final feature of the bill, the implementation of the recommendation of the Glassco Commission to put the Treasury Board under a separate minister. The Treasury Board will have the added functions that the Glassco Commission contemplated for the improvement of administrative organization in the government service generally. It will be associated administratively with the Privy Council office to bring together the co-ordination of policy and administration in a manner which will add to the effectiveness of government at a time when the complexity and scope of its task are greater than ever before.

That, Mr. Chairman, is a short explanation of the changes proposed by the resolution which is before the committee. I do not for a minute suggest that with the steps included in this bill reorganization of government will have been completed or that we will have reached a place at which we can rest with the feeling that full adjustment has been accomplished, even adjustment to the problems of the present let alone those problems which will develop in the future. This is by no means the case and it would not be wise to consider that any reorganization, however extensive, and this is certainly an extensive one, is final.

The Royal Commission on Government Organization, the Glassco Commission, noted as found on page 26, volume 5 of its report:

> The persistence of change and the need for adjustment to change are, in fact, the only future certainties known to any organization. The successful adaptation of the machinery of government to changing circumstances will require two things: within the public service itself there must be an awareness that adaptation is an inescapable part of the task of management; and, both within the public service and beyond it, there must be a continuous assessment of the role of the federal government in the life of Canada, to ensure that the machinery of government remains responsive to the ends it must serve.

As the circumstances of society change in this swift-changing, indeed, revolutionary age, the pattern of governmental organization and of administrative direction must also change if they are to be properly effective. I believe, Mr. Chairman, that in this resolution and in the legislation visualized by it the government is asking parliament to make a major, important step forward. I am sure that additional steps will be required and I believe they should be taken as conditions continue to change. Meanwhile I am asking the committee to consider this resolution favourably so that we can, without delay, introduce a bill based upon it.

Mr. Diefenbaker: Mr. Chairman, I intend to speak but shortly on this resolution. It is of unusual interest that after months of preparation, going back to December 17 of last year, the government produces a resolution dealing with this reorganization which has been spoken of as the most comprehensive of all time and has forgotten all about the minister of forestry and rural rehabilitation. It is a most unusual situation. I know that the Minister of Forestry has frequently been regarded as being of such a rebellious nature that his presence in the cabinet was not entirely welcomed by all, but I must speak in his defence now. I say that I feel for him—

Mr. Pearson: So do I.

Mr. Diefenbaker: —left out in the cold. Here is a man who was going to envelop agricultural rehabilitation, ARDA and the like, under his protecting wings but somebody has made a fearful mistake. The Prime Minister did not know that the department of forestry and rehabilitation was not included.

Surely the Minister of Forestry has not joined the record of missing persons, but that is his position. He comes into the chamber and finds himself absent without leave, missing from the document that is to preserve the parliamentary system for years to come. Lo and behold, here is the gentleman adventurer from the Magdalen Islands being traded by the government into non-existence.

• (5:00 p.m.)

Mr. Pearson: Mr. Chairman, may I interrupt for a moment?

Mr. Diefenbaker: If it is a question.

Mr. Pearson: I should like to say why this was done. It was to give my right hon. friend an opportunity to bring the minister back into the government.

Mr. Diefenbaker: Mr. Chairman, I think the government needs assistance because there have been times when we have wondered whether he was in fact in the government—of it or in it. This day represents one of the most unusual events that has taken place

in my time in the House of Commons. With fife and drum they bring in this resolution and then they forget the main thing, the piccoloist. What an oversight. Is this anti-Quebec? What would have happened if such a thing had taken place under our administration? It is disturbing; it is revealing. It is proof of what we on this side of the house have contended, that this government does not know where it is going. It produces a resolution and leaves out the reform element.

When the hon. member became a minister all of us had great hopes for him. I am trying to ensure that some of those hopes will be realized. The government will now have to bring in a new resolution, an addendum as it were, to ensure that that minister who represents the epitome of the new politics is not going to be left out in the cold. We are going to do everything we can to help him, this man who is forgotten by his comrades and remembered by his opponents. Greater love hath no man than this, that he ensure that the mistakes of the government shall not deprive this nation of the services of a reformer.

Speaking seriously, Mr. Chairman, is it not a terrible mess? The cornerstone of reform omitted. The powers of reaction apparently have become paramount in the government. I may make reference to this a little later, but I wish to assure you at once that anything we on this side of the house can do to preserve the Minister of Forestry from oblivion among his colleagues will be done. If the Prime Minister will bring in a resolution to include the unincluded, I think we could pass it pretty well unanimously without further discussion and thereby present more proof that an opposition can be beneficial.

The government has produced a resolution which, to say the least, shows that the Prime Minister has forgotten he has in his ranks a man of reform and vision. Indeed, he has been so far in advance of those with whom he serves that often there has been wonder how he got into that party at all. With reference to the resolution the Prime Minister dealt at some length with the necessity of improving the organization of government. No one disputes the necessity for that, but reforms based on experiment and not experience do not always work out very well. We had an example of that in connection with the committee system. Two years ago or a year and a half ago I said we were going much too far under our form of government in bringing about the United States idea of a committee system. What have we found? We have found that the government cannot get its members to attend. Committees are set up and they are not being attended. This is another example of what befalls a government which just tries to do something new regardless of how experimental the plan may be.

What is the situation today? There are 127 or 128 members on the government side of the house including 26 ministers and 16 parliamentary secretaries. Thirty per cent of the membership occupy positions of responsibility. But with all that horde, Mr. Chairman, they come up with a resolution which omits one of the major considerations, the assurance that agriculture shall receive a fair deal. It indicates that this government has forgotten agriculture. It is very obvious that this government no longer considers agriculture of any great consequence.

The government is increasing the number of ministers. It is shuffling the deck and adding a couple more deuces; that is what is happening. The trend today in parliamentary systems in other parts of the world is not to increase the number of ministers but to reduce them. I know how difficult that is, but today the cabinet is too large for the effective carrying out of the business of the nation. If he were to call together only certain members of the cabinet, the Prime Minister would have difficulty. Preferences naturally would be assumed.

I think one of the major reforms which must be brought about is to ensure a reduction in the number of ministers and to divide those ministers into two classifications, those of the cabinet and those of the ministry. It will be difficult to do, but if there is to be any effective reform of cabinet government, that is the first thing which must be done. I recognize all of the difficulties. As I look at this shuffling, I wonder what were the reasons.

I have here the original press conference statement made by the Prime Minister on December 17 in which he sets out the benefits which will flow from these changes. I am going to summarize it. He said that the changes were designed to adapt the machinery of the government to new and changing needs. He further said that the planned changes were designed to improve efficiency by increasing the attention given to the problems that have become more important. Those conditions become significant when we realize that agricultural rehabilitation has

been left out in the cold. In his press release the Prime Minister went on to say:

> At present some of the most important problems of government are the concern of only one section of a department, while others are scattered among various departments and agencies. The effect of the administrative changes will be that one minister will have a specific responsibility for the Treasury Board—

I think that is a good move; I think it is necessary. On the basis of personal experience I think that one deserves implementation.

• (5:10 p.m.)

Let us look at the others. Resources have been divided, part going to the minister of Indian affairs and northern development and part going to the minister of energy, mines and resources. Why should some of our resources be placed under one department and others under another? How does one obtain strength by division?

Labour has been divided with the Minister of Labour responsible for legislation on collective bargaining and other things in that field and the minister of manpower responsible for training, placement and immigration. The Prime Minister suggested that this was a forward step but I think it is a retrograde one which represents the antitheses of the recommendation, as I read it, of Woods, Gordon and Company which made a report on this subject in November, 1965. After all, this is one of the leading companies of chartered accountants and consultants in Canada, and no matter how you look at the situation the hon. member for Davenport, who was connected with this firm at one time, was a man with ideas. Sometimes I wonder how the "Gordon Highlanders" are going to be able to stand up to the "Sharpshooters".

In any event, this recommendation was ignored and I should like to know why it was ignored. The recommendation reads as follows:

> The manpower and labour relations fields have in the past been regarded as being largely unrelated. However it is becoming increasingly evident that in the type of industrial society toward which we appear to be heading, manpower problems will, to a greater and greater extent, become labour relations problems as well. As the pace of technological change quickens, so must the adjustments to change quicken, and in this situation workers will look increasingly to the institution of collective bargaining to ensure that their interests are adequately protected. Management, on the other hand, will be seeking to negotiate the elimination or modification of contract provisions that are making it difficult to adapt to change or are standing in the way of rational solutions to manpower adjustment problems. The conclusion we draw from this is that, although the manpower and labour relations fields are distinct, there are increasingly important interactions between them. This suggests that the development of policy and programs in these two fields must continue to be closely integrated.

Integrated policies do not result from divided responsibilities among ministers. I wonder why that recommendation was not carried into effect.

It is interesting to note how the changes took place. According to the press there was a great internal power dispute last November and December over the suggestion that members of the cabinet from the province of Quebec should be given prestige appointments. New oil was poured into old bottles. The three wise men were brought in and each one of them is ambitious. I do not criticize ambition, but what did this bring about? It brought about a hodgepodge.

The minister of energy, mines and resources, who carries on temporarily as the Minister of Mines and Technical Surveys, will take over the responsibility for atomic energy, oil, gas and water power, and water and coal. I have already dealt with the duties of the Minister of Citizenship and Immigration and the authority that he is going to have as minister of manpower.

These men had to be given decorative authority. After all, they wanted them to have prestige. I read the French language press each day and it has been said there that the great weakness of the former cabinet resulted from the fact there were not enough prestige appointments for the province of Quebec. Prestige has now been created by giving these new decorative powers to these members from the province of Quebec. I am not going into the events that took place when the President of the Privy Council was minister of justice, but he is the one now who is going to be looking after the administration of the Bankruptcy Act. He had that responsibility when he was the minister of justice and bankruptcies multiplied three, four or fivefold. There is also a strange situation regarding combines legislation.

Apparently it was felt that everybody should have something added and the plan was to build people up in this way because they did not want to occupy small portfolios such as that of Secretary of State. Now these people will have more authority and greater new power. This is termed by the government a measure to strengthen administration

but I suggest the purpose behind this measure is to strengthen the present administration.

The situation with regard to the Department of Justice is the most interesting of all. All that minister now has is the name. I presume he will be very effective in carrying out his duties because the government has taken away the whole essence of the Department of Justice. How can one have a Department of Justice with authority spread out all over the place?

I am very much impressed with the way the Solicitor General answers questions in the house and accepts his responsibility, but what do we now find the situation to be in that department? The Solicitor General has practically appropriated the major powers of the Department of Justice. All the Minister of Justice is going to have left is the prestige of the name. Apparently he is to look after legal matters in the Department of Justice. That looks all right on the face of it, but what legal matters come to the attention of the Minister of Justice? He is not in the position of having such things come to his attention because the law officers of the Crown look after these various things: The government had to keep him in the cabinet so it continued his title, realizing no doubt that it might be better to place his authority elsewhere.

The administrative changes mean nothing. With one or two exceptions they seem in large measure to be designed to enable the Prime Minister to take care of his commitments. Instead of cabinet posts being created in accordance with departmental needs they seem to have been created in accordance with the political needs of the government. The divided and subdivided powers of the Department of Justice can only result in indifferent administration and confusion One can see today in Ottawa a lack of confidence on the part of professional civil servants who observe departments being splintered, severed and added to other departments for what has every appearance of being a political purpose on the part of the government. That is not good enough because administrative necessity is not met by conforming to political necessity.

Whenever questions are directed to the Minister of Labour answers are given, as is the case in respect of questions directed to the Minister of Northern Affairs and National Resources, in keeping with the responsibilities of the government. However, certain powers are to be taken from that hon. gentleman and I have already mentioned some of those in connection with the proposed changes in the Department of Labour.

• (5:20 p.m.)

What about agriculture? We cannot discuss that because it is not even before us. But we were told in advance, months ago, what was going to be done. They had to give something to the Minister of Forestry. When we set up the Department of Forestry it was ridiculed and laughed at. They had to give the Minister of Forestry something to give him prestige. What is the use of being a reformer without prestige? But what a position for a minister to be in—forgotten, only remembered for what he has done. I hope this situation will be corrected at the earliest possible date so that our uncertainty and concern will be obliterated

May I say that if ARDA has been included in the responsibilities of the Minister of Forestry it would have meant and will mean that agriculture is being placed in a secondary position. When I mentioned this a while ago I noticed one of the ministers indicating disapproval, so I shall read from the *Family Herald*, a magazine nationally and internationally known, what is said on the question of the alteration in portfolio responsibilities:

> We were disappointed that there has yet been no indication as to how these all-embracing portfolios will be dovetailed with the existing ministries which cover rural development and agriculture. For despite the reverse title there appears to be no apparent change in Mr. Sauvé's responsibilities. And we cannot help but feel that the ministry of agriculture has been relegated to a secondary status, comprising the ill-defined policies under the direction of a little-known minister.

Agriculture is placed in a secondary position. Why? The Prime Minister when he was leader of the opposition said, "We have to have two ministers of agriculture, a western minister and an eastern minister." One of the ministers had already appropriated to himself the position of eastern minister of agriculture but he never got the portfolio because it was not set up. Agriculture, as the *Family Herald* says, is relegated to a secondary position.

What reforms are there? There is a Treasury Board minister. That is a forward step and a necessary one. But you have agriculture placed in a tertiary position. It is not even included in the resolution. They have forgotten about it altogether in this resolution which took a long time for a government that was most careful in assuring that everything would be included to prepare.

Yet they forgot about agriculture. You have a minister of manpower to be. He has a wide knowledge of labour problems, and in regard to his manner of approach in the House of Commons I say to him that I like the way in which he places his views before the house.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: But what do we see? Labour problems are handed to one minister and then another. How can this minister be effective? Surely we have not arrived at the point where the government contends that to make this important department effective it has to be divided and subdivided by spreading out responsibility. Certainly labour problems are of major importance, but why the subdivision? I come back to the reason. They wanted everybody to have something so that one minister and another could say, "He got this but I got that." But in it all the Minister of Forestry became the forgotten man. I would not allow that. That is why I would draw this matter to the attention of the house, because we will not have a minister removed by governmental forgetfulness. It cannot be permitted. I hope the Prime Minister will seize on this problem and without delay remove the fear that fills our hearts that this minister, so necessary in the new politics is to be left out.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: We cannot have it; we shall not have it. Speaking seriously now, Mr. Chairman, I will have more to say regarding reformation in administration when the bill is before us for second reading. At that time we will be able to bring together the resolution that is and the one that was forgotten.

Mr. Douglas: Mr. Chairman, as the Prime Minister has said, this resolution forecasts legislation which will constitute a fairly extensive reorganization of the various departments of government. Some of the reorganization proposed in the resolution we believe is advisable and indeed long overdue. Other parts of the reorganization we would want to reserve judgment on until we have had an opportunity to see the legislation itself.

I am somewhat surprised that the resolution introduced by the Prime Minister would seem to indicate that there is to be a single measure covering all the various items which he outlined. The government knows its own course of action best, but it seems to me that a single piece of legislation including all these various measures will cause a great deal of confusion in the future. It is much tidier for a department to have an act setting out those matters with which it may deal and the powers of the minister, those things he may do by ministerial discretion, by regulation through the governor in council and so on. Then, if the new department finds, as it will find, that certain of its powers need to be amended, altered or extended, the act can be amended from time to time. If the department goes into a hodgepodge with a number of other departments for which there is a single piece of legislation, the government will find itself in some difficulty. Perhaps the government has in mind that this will be an interim measure and individual acts will be introduced separately at a later date. But I do suggest to the government that unless later they separate the legislation in respect of these departments they will find themselves in a great deal of departmental difficulty.

• (5:30 p.m.)

I agree with what the Prime Minister said about the importance of giving thought to this question of government reorganization. Too often members of parliament and the public generally think that administration is not really important and that it does not make much difference what kind of departments we have. As a matter of fact, clearcut allocations of responsibility, a clear line of authority for the discharge of that responsibility and clearly defined lines of communication are absolutely essential in the complex society in which we live if government policies are to be carried out effectively and efficiently.

I should like to deal briefly with a few of the matters which the Prime Minister has suggested the legislation will implement. The first is the setting up of a department of manpower. In addition to its role for the training and allocation of manpower and job placement, it will also have some of the functions now pertaining to immigration. I believe this is an excellent combination. It seems to me that the body which is responsible for keeping its finger on the economic pulse and being fully aware of the manpower needs of the country is in the best position to deal with immigration, to know what number of people we can allow into Canada at any one time, to know what skills they should have or, if they do not have any skills, what training they will need after they come to Canada. Therefore I think the combination of immigration and manpower is excellent.

The Economic Council of Canada recommended, of course, that this combination be carried out and I am very glad that the government has seen fit to do so. If I may say so to the Prime Minister, I believe that both the minister and the deputy minister who have been selected for this department are admirable choices. I believe they are both equipped in terms of training and temperament to take on what will be a very difficult task which will involve blazing new trails and working out new programs. However, I want to say to the Prime Minister that if this manpower department, which our party has been recommending for years, is to be modelled on the Swedish labour market board and is really to have the kind of function which a manpower department should have in a technological society, it will require a great deal of support in terms of money and trained personnel. If the manpower program is to be more than a paper program there will have to be a very large sum of money spent on the training and retraining of workers as well as on the upgrading of their education.

I had some opportunity to see at first hand the work of the labour market board in Sweden. Of course, they have been at it for a long time, but they spend tremendous sums of money in training and retraining workers and as a result they are making full utilization of all their available manpower. This is something which we are not doing in Canada. The Economic Council of Canada has stated that we have now come within 97 per cent of our productive capacity. We are not using men and women in Canada who are often unskilled and unemployed and who will have to be retrained. Many of them will have to have their educational qualifications upgraded. There is no sense in giving the minister and his department, with all their enthusiasm, this heavy responsibility unless the government is also prepared to give them the very large sums of money necessary to carry out an effective program.

All I want to say about the responsibility given to the Solicitor General is that I believe it is a good thing to have the minister charged with the responsibility for penitentiaries. There has been a great deal of talk about penal reform in this House of Commons but very little has ever been done about it.

I believe that there should be a minister charged with the responsibility for looking into law reform, and the overhaul of the Criminal Code, and these other matters can very well be given to the Solicitor General. However, whether the R.C.M.P. should be separated from the department charged with the responsibility for law enforcement is something about which I have some doubts. My colleague, the hon. member for Greenwood, will probably discuss this in more detail later.

I congratulate the government for combining the Indian affairs branch with northern development; I believe this is a natural affinity. I have complained for years that Indian affairs have usually been under the jurisdiction of civil servants who have never seen an Indian in broad daylight and have never seen an Eskimo except on television. I know that with the combination now being proposed the Indians will be served by people who are much more familiar with their problems and the solutions for these problems.

With reference to the proposed department of the registrar general which the Prime Minister suggested is to deal with business law and those things which affect the protection of the nation and individuals, I think this is a very helpful move. We in the New Democratic Party have been advocating for years the setting up of a department of consumer affairs. We are still hopeful that the government will see its way clear to set up such a department. We would like to see the department charged with the responsibility for administering combines investigation legislation and restrictive trade practices legislation greatly strengthened with some teeth in that legislation.

We would like to see provision for the standardization of weights and packaging, with legislation to prevent misleading advertising. We would like, as we have said on many occasions, to see such a department have a price review board with full authority to look into price increases to see whether or not they are fully justified by increases in costs. We are convinced that such an investigation would show in some cases that increases in prices are warranted but in other cases it would show that they are not warranted.

Action by any company or combination of companies to raise prices merely to take advantage of a situation would receive a good deal of public criticism and if the criticism became widespread enough, of course, the federal and provincial governments would find it necessary to pass concurrent legislation to deal with these price increases. My own opinion is that no such legislation would

become necessary because the exposure to public gaze of unconscionable profiteering would be enough to correct the situation. If the government is not going to set up a department of consumer affairs, then certainly the kind of department the Prime Minister proposed today could be the nucleus around which a department of consumer affairs could be built. I hope that if time permits my colleague, the hon. member for Vancouver-Kingsway, will elaborate on this question because it is something to which she has given a great deal of thought and about which she is very enthusiastic.

• (5:40 p.m.)

Finally, I want to say a word or two about the proposed president of the Treasury Board. Again, I agree with this proposal. I hope that in the not too distant future the Prime Minister will appoint a minister to give his full time to the responsibilities of being president of the Treasury Board. I should like to see the Treasury Board working on two functions which are not assigned to it at the present time. First, I think the Treasury Board ought to have a branch which would act as a budget bureau. At the present time, we have a Treasury Board which allocates funds according to departments and subdivides them according to branches. We have an Auditor General who audits the expenditures of these agencies. However, there is no agency for auditing the performance of departments and branches; there is no agency to examine the programs to see whether they still fill a useful function or whether they should be curtailed or even eliminated.

Every member knows that Parkinson's law operates in every government. Consequently, from time to time we set up commissions like the Glassco Commission which report to the government on whatever extravagance, duplication, overstaffing and unnecessary procedures are found. The tragedy is that by the time a government, not necessarily this government but any government, gets around to dealing with the situation which has been described by the commission the situation itself has altered. The only effective way that a government can deal with the problem of the proliferation of staff, extravagance and waste is to have a continuing agency constantly examining departments, constantly going over their programs to see whether or not those programs are still useful and whether or not the department is still using its staff efficiently or is asking for more money than the service which they render warrants. Every member knows that no program, once having started, is ever voluntarily curtailed by those who are running it.

Every minister and every deputy minister is told by his branch head that a program is absolutely necessary. A program may have been started 30 years ago to meet a certain situation and the situation may have changed, but the program has to be kept going. If the government is really going to do an effective job of eliminating waste and extravagance. I think they need something resembling the United States budget bureau. I can remember an instance when I was associated with a provincial administration. A certain department was asking for more money, more staff and more space. This meant putting up new buildings. The department alleged it was so crowded, so understaffed and working in quarters so congested they were not doing effective work. They made a marvellous case for a lot more money, a lot more space and a lot more people. When the budget bureau had investigated the case for over six months they found that by a simplification of procedures, by amending the filing systems, they could move some of the staff to other departments. Then, by microfilming their records, we were able to get rid of hundreds of file cabinets which resulted in more floor space.

Unless you have an agency to do this the staff keeps growing, the space required keeps increasing, the demands for larger and larger estimates keep rolling in to the Treasury Board. It seems to me one of the functions that ought to be given to this Treasury Board branch would be the assignment of teams to any department that is asking for more money to conduct an investigation. Even if the department is not asking for more money, perhaps it is getting too much money now. A team of experts could be sent to examine the procedures, to analyse the program and make a report to the Treasury Board whether or not this department was getting enough money or too much money, whether it could reduce staff and get along with a smaller allocation of funds.

The other function I should like to see given to the president of the Treasury Board is related to the whole basis of economic planning. I am trying to fit within the government's framework something I had hoped the government would do. Personally I would prefer to see a department of economic affairs and planning, an agency which could

work closely with the Treasury Board, the Minister of Finance, the Minister of Industry and the Minister of Trade and Commerce. Since the government has not set up a department of economics affairs and planning, it seems to me that the Treasury Board could form the nucleus for the beginning of a genuine economic planning agency.

So far as I can see at the moment, there is no real economic planning in the government's set-up. The Economic Council, which I understand has been moved now from the Secretary of State to the Prime Minister's office, is purely an advisory body and does not concern itself with day to day planning. It is doing long term projections and is doing excellent work. I want to congratulate the chairman and members of the Economic Council on the two reviews they have published. They are amongst the best things that have been put out in Canada and the council should be encouraged to continue.

However, the council works in one office and the Treasury Board works in another office. The Department of Industry works separately, as does the Department of Trade and Commerce. I know the Prime Minister will tell me there is a cabinet committee that co-ordinates the work of these various departments. I do not believe cabinet committees can do this. I think the members of such committees are too busy. I am sure they do not meet often enough. I am sure when they do meet they have even greater trouble in getting a quorum than have the committees of the House of Commons because these men are very busy and are called all over the country.

If there is going to be any real economic planning, any real co-ordination of economic activities, it has to start at a lower level. It is not going to be done or to be very effective if it is not, and for that reason it seems to be some thought should be given—

The Deputy Chairman: I regret to interrupt the hon. member but the time allotted for his speech has expired.

Some hon. Members: Carry on.

The Deputy Chairman: Is there unanimous consent for the hon. member to proceed?

Some hon. Members: Agreed.

Mr. Douglas: I have only a few sentences to complete my remarks and I do thank the house for allowing me to finish.

[Mr. Douglas.]

Mr. Fairweather: What happened to the economic planning?

Mr. Douglas: That was not bad economic planning; that is just poor timing. It seems to me some thought ought to be given to having in the Treasury Board the Economic Council of Canada and representatives from the Department of Industry as well as Trade and Commerce co-ordinated so that within the Treasury Board itself there could be the nucleus of a genuine economic planning agency. This group could plan closely in relation to the fiscal needs of Canada, make an assessment of the wealth of the country and the revenues that would be available to the government and could establish an order of priorities as to how those revenues should be allocated to the various departments and to the various programs.

• (5:50 p.m.)

It seems to me that until this kind of economic planning is done we are going to continue to have what we now have, namely, a lot of competing departments all asking treasury for money, with the Minister of Finance and members of the Treasury Board having to slash requests each year when making up the budget. Often the estimates have to be reduced not by any order of priority but because the departments are told to take their estimates back and cut off 15 per cent in order to bring expenditure into line with revenue. This is a most unscientific way to reduce estimates. Some departments may have more money than they need. Others do not have enough. The sort of thing I contemplate can only be done if we build the kind of fiscal and economic planning agency that will enable the cabinet to make the kind of informed decisions which will help this country to grow and prosper.

Therefore, Mr. Chairman, we are glad that the government is bringing in some of these measures for reorganization. We may have doubts about some of the details. We shall be able to discuss those more intelligently when we see the legislation. In the meantime we commend the government for taking several very important forward steps in the resolution which has been presented today.

Mr. McIlraith: Mr. Chairman, I rise for the purpose of clarifying what I thought was a misunderstanding of the form of the resolution. I will not speak in detail about the substance of it. Earlier in the afternoon, and regrettably I was not here at the time, some question arose as to the adequacy of the

resolution. It was suggested that there was no reference in the resolution to the department of forestry and rural development. There was no such reference in the resolution because, I am told, it is unnecessary. I am advised by the law officers—

An hon. Member: That was quick.

Mr. McIlraith: I wanted quickly to find out quickly.

An hon. Member: You certainly moved quickly.

Mr. McIlraith: I admit acting quickly, but I was alarmed about what I had heard had taken place here. In any event, no such reference is required in the resolution, the reason being that there is a Department of Forestry now.

Mr. Starr: May I ask the minister a question?

Mr. McIlraith: Yes.

Mr. Starr: Is the government house leader trying to lead us to believe that the Minister of Forestry is hidden in this resolution?

Mr. McIlraith: No, he is fully exposed. There is no need to refer to him or to the department as there is the case when a new department is created where none had existed before. The new department of forestry and rural development is a new department in the sense of having the name of the department changed and its functions redelineated.

Some hon. Members: Oh, oh.

Mr. McIlraith: We are dealing with a new department which will affect directly employment opportunities, productivity and the standard of living arising out of existing forestry and rural development legislation.

Mr. Starr: I see.

Mr. McIlraith: These powers of the new department are set out—

Mr. Starr: I want to see the minister peeking out of that resolution.

Mr. McIlraith: The Minister of Forestry is already carrying on duties in this field in an extensive way, his duties being found under the provisions of the Forestry Act and in legislation in the rural development field. What I intended to indicate was that it was the opinion of the law officers who drafted the bill, and they persist in this view which I believe to be the correct one, that it is not necessary to have any specific reference in the resolution to the department, as there would be in the case of a new department.

Mr. Starr: You are satisfied, I take it?

Mr. McIlraith: That is because there are no money implications.

Mr. Starr: The government is satisfied? If the government is satisfied, we are.

Mr. Pearson: Will my hon. friends now apologize?

Mr. Douglas: Would it not have taken much less time just to say "we goofed"?

Mr. Starr: With reference to the explanation that has been given to us by the Minister of Public Works, if he says that he sees the Minister of Forestry among the trees that are in this resolution, then we have no objection.

Mr. Pearson: You should go back to Magna Carta.

Mr. McIlraith: If hon. members will wait until they see the bill they will have no difficulty in finding the trees.

The Deputy Chairman: Order, please. May I ask the consent of members of the committee to inform them of the adjournment proceedings at ten o'clock tonight?

Some hon. Members: Agreed.

The Deputy Chairman: It is my duty, pursuant to provisional standing order 39A, to inform the house that the following questions will be discussed on the adjournment motion tonight: the hon. member for Vancouver-Kingsway (Mrs. MacInnis), Education—conditions governing free university training; the hon. member for Okanagan-Revelstoke (Mr. Johnston), Health and Welfare—request for statement on control of drug LSD; the hon. member for Chapleau (Mr. Laprise), Agriculture—inquiry as to dairy subsidy policy.

Mr. Thompson: Mr. Chairman, I do not think we can really make full and complete comment on this measure until we see the legislation. Therefore my remarks at this time will be limited to a few basic principles that are involved which I believe to be important.

I disagree with the Prime Minister if the final conclusion to be drawn from his initial

premise is that there must be increasing control by government in every aspect of our social and economic activities. It seems to me that one of the problems we face today is that we are yielding to the pressures by following the path of least resistance, which too often results in things being taken over by the authority of the government. I am concerned, therefore, that at the present time we have the prospect of even greater control through federal government adminidministration. However, if the object of this government reorganization is to decrease government interference and government control over Canadians while at the same time facilitating greater efficiency and effectiveness of government, then we completely support the resolution.

I think it is high time that more recommendations of the Glassco Commission were instituted. I am concerned that we have already waited far too long to implement many of the obvious recommendations. As a result, if I sense correctly what is happening within the civil service at the present time, there is a general state of confusion and uncertainty which has resulted from these now very rapid and extensive changes in the structure of the federal government.

I believe it is vital, Mr. Chairman, that there be very well defined and clearcut areas of responsibility so far as governmental departments are concerned and that in this connection there be a complete flow of information to facilitate communication between governmental departments. None of these changes that are now contemplated will reach their desired objectives unless this is so. We trust that when the legislation comes before us there will be evidence that this is the intention of the government as the reorganization is brought to reality.

• (6:00 p.m.)

Let me comment briefly on a few aspects of the proposal which the Prime Minister has put before us this afternoon. It seems to me that the transfer of certain responsibilities from the Minister of Justice to the Solicitor General might be very useful and increase the efficiency as well as the effectiveness of the administration of justice. It is also my opinion that it is a very sound idea to set up ministry of manpower. One of the greatest problems we face in Canada today concerns the question of manpower. We boast about a booming economy; yet this very month there are 340,000 people who are unemployed. This emphasizes the fact that re-education is vital if we are to make best use of our work force. It is a paradox that so many people should be unemployed in an economy which is in some areas looking for skilled labour.

It is important that the government should recognize immigration as an important factor in any manpower policy. I do not believe we have the right to claim the vast areas of Canada we do today unless we occupy those areas and seek to develop them. The greatest eras of prosperity in our history have come in times when we have received the greatest influx of new immigrants. A complete overhaul of the department of immigration is necessary and it is logical that this should be combined with a vocational training program of wide scope so as to develop essential additional sources of skilled labour.

The effects of automation in Canada are proving to be different from those which had been anticipated. For a number of years we are unlikely to be faced with any real problem so far as automation is concerned because of the tremendous scope which exists for the development of our resources. Nevertheless there is need for a continuing assessment of this situation and a department of manpower appears to be the logical answer so far as government organization is concerned.

I am somewhat concerned to find that the Department of Labour is being emasculated, as it were, by the setting up of the proposed department of manpower. However, I would assume there will be an opportunity for greater emphasis on industrial relations and a more harmonious labour situation across Canada so far as the federal administration is concerned, particularly in the field of co-ordination between federal and provincial departments of labour. The importance of this question will continue to increase. From information I have it seems to me that co-operation between the various departments of labour will become more feasible under the arrangement proposed.

The establishment of a new department responsible for energy, mines and resources is a sound basis for reorganization, and we look forward to the legislation which will make this possible. Herein lies the potential for the development and administration of the tremendous natural resources which fall under federal jurisdiction.

The position of registrar general as outlined by the Prime Minister is not completely clear. We have noted the areas which will be assigned to the new minister. We assume he will be the President of the Privy Council

acting in a dual capacity. I noted with interest that, according to the Prime Minister, the registrar general would have responsibility for the protection of the rights of individuals. However, it was most disappointing to find that the government had failed to establish the office of ombudsman. For a number of years this question has been the subject of various private bills. In addition, the Standing Committee on Privileges and Elections has studied the matter and reported favourably to parliament. The response of the administration has been evasive. In the Speech from the Throne of the previous session it was suggested that a royal commission would be set up to look into the desirability of appointing an ombudsman. I use the word "evasive" because I do not think it is necessary to establish a royal commission to look into this question. We have the example of those countries which have already adopted a procedure of this kind. In addition, it seems to me there is clearly a need for an ombudsman to help protect civil liberties and rights in this country.

I still urge the government to establish such a post. A parliamentary commissioner or ombudsman, as he is better known, would provide a means whereby the people of Canada would have an officer of this parliament to defend their rights and liberties. I urge the President of the Privy Council, as he assumes the responsibilities of registrar general, to bring forward legislation to establish this important office. Bearing in mind the growth of government and the tendency for bureaucracy to increase, I believe this is the only way of affording protection to the rights of individual citizens.

I am disappointed too that in the course of this reorganization the Prime Minister has failed to provide for a department of federal-provincial affairs. This country's greatest single need is the co-ordination in an effective way of the various jurisdictions at the several levels of government. There was a period after the war when the federal government tended to dominate the national scene. Today the provincial governments are very strong, and it seems to me that in order to ensure a strong federal government, without detracting from the strength and vitality of the provinces, more concern must be paid to continuing liaison and co-operation in this area.

We have heard a lot about co-operative federalism, but co-operative federalism can never become a reality unless there is machinery to provide continuing liaison. The democratic process in Canada is in danger at the present time because the federal government, in calling a continuing series of federal-provincial conferences at which it places certain policies before the provinces, is using a process which tends to by-pass not only parliament but the legislatures of the provinces as well. A most effective way of dealing with this situation would be to set up a special department of government, not just a secretariat, where the work done at federal and provincial levels could be co-ordinated on a continuing basis to produce results more effective than in the past.

• (6:10 p.m.)

May I say a word now about the proposal to make the Treasury Board a new department of government charged with the implementation of the recommendations of the Glassco Commission. This could be a useful thing but I am disturbed that it will mean an addition to the cabinet. Again we can only make intelligent comment when we see the legislation itself.

In relation to citizenship in its narrowest sense, the fact that it is being assigned to the Secretary of State is also logical. There should be greater emphasis on citizenship. The other day one of my constituents suggested as a centennial project that we should undertake the issuance of citizenship certificates to all Canadians on the occasion of our centennial birthday on July 1, 1967. This would be a highly practical project emphasizing Canadian citizenship. I mention it only because I believe we ought to give greater emphasis to the value of citizenship and make that value known to all our citizens.

Without unduly extending my remarks on the resolution, again I would say that unless there are clearly defined areas of responsibility, unless there are open channels of communication between government departments, unless there is a determined effort to increase the efficiency of government, a reorganization such as is proposed by this measure will mean nothing. I trust that the government will place the correct emphasis on this important subject. Otherwise this reorganization will not have the effect that it should.

There is only one other point that might be considered as we are dealing with this resolution, namely, the need to set up an inner cabinet within a wider structure embracing

junior ministers. With the cabinet at its present size there is a danger of lack of co-ordination and imprecise definition of government policy.

It is interesting to note that in Great Britain the ministry consists of more than 100 members of the house. This means that approximately 20 per cent of the membership of the house is in the ministry, with the whole area of routine responsibility shared with junior ministers. The junior ministers do not form part of the central cabinet in Great Britain.

If the government is to formulate policy and present it in an effective way, if inefficiency in government is to be improved, then along with this proposed reorganization provision should be made for a hard core central cabinet concerned more with government policy in the over-all structure in order to provide the Prime Minister, who holds a job that is extremely difficult, with the basic policy advice and consultation that he needs. This would ease the central cabinet of much of the load of administrative detail which would be taken care of by others not so responsible for policy and who would be occupied with routines administrative duties.

So, Mr. Chairman, we in this party reserve further comment until we see the bill. It is good to see this reorganization being proposed, and along with it I hope consideration will be given to the several points I have mentioned. I hope we will all receive the assurance that as a result of this reorganization there will be increased efficiency, and more effective government without necessarily a greater degree of interference with and control of individual citizens by government.

[*Translation*]

Mr. Caouette: Mr. Chairman, resolution No. 56 concerns a government project to establish five new government departments.

The resolution stipulates that:

It is expedient to introduce a measure respecting the organization of the government of Canada—

Does this mean that the government is disorganized? The question is obvious.

—to establish a Department of the Solicitor General, Department of Manpower, Department of the Registrar General, Department of Indian Affairs and Northern Development, and Department of Energy, Mines and Resources;—

And, of course, to establish at the same time the bureaucracy and the bunch of bureaucrats necessary to all these departments.

[Mr. Thompson.]

The hon. member for Red Deer (Mr. Thompson) has just mentioned that, under the circumstances, it would have been quite expedient to establish a Department of Federal-Provincial Affairs, because anyone who sees this list of new departments can tell that three of them will undoubtedly be directly concerned with questions under the jurisdiction of the provinces. For example, there will be a department of manpower. The provinces, whether Quebec or British Columbia, do not want their course of action or their policy to be dictated by the federal government.

The provincial authorities rightly believe that the matter of manpower comes under their jurisdiction and, in Quebec, we believe this sincerely and deeply.

With regard to Indian affairs and northern development, we witnessed in this house negotiations which took place between the present Minister of Northern Affairs of the province of Quebec, then Minister of Natural Resources, and the federal Minister of Northern Affairs and National Resources.

The minister of the provincial government maintained that the administration of Indian affairs belonged to Quebec, as far as northern Quebec was concerned, and the federal minister held the opposite view.

Today, the government is asking the house to pass the resolution to establish a department of Indian affairs and northern development. That will create conflicts between the provinces and the Canadian government.

The establishment of a department of energy, mines and resources is also proposed. We saw the government of British Columbia and the federal government, then headed by the present Leader of the Opposition (Mr. Diefenbaker), engaged in a rather fierce struggle which lasted four, five, even six years. When the federal government of the day toppled, we saw the same struggle continue between the government of British Columbia and the present federal government; finally a compromise was reached under which the claims of the government of British Columbia to the effect that mines, resources and energy come under provincial jurisdiction were recognized.

In the present circumstances, Mr. Chairman, forever increasing the number of ministers, or appointing five more, does not seem to me the way to solve the problems which are now facing the Canadian economy and which the Canadian people must now overcome.

The government can appoint as many ministers as it wants to, in short, it can appoint a dozen or more if it so chooses, but that will not change anything. I feel that there are too many ministers already for the results we are getting in any field of economic activity whatsoever.

Of the present ministers, several seem ineffective; one wonders why they exist at all. They do not get results. And we are now asked to create five new departments, excluding the main ones. For instance, since the beginning of this session, we are told practically every day about the new department of manpower.

The Prime Minister (Mr. Pearson) said this afternoon that this department will have to study new production techniques, as well as the problem of automation and management-labour relations in Canada. Strikes are looming up in Quebec like never before in any other province in Canada. Professors' strike, teachers' strike, students' strike, government-employed professionals' strike, strike on the left—yes, the Coca-Cola strike in Montreal, in the riding of the Postmaster General (Mr. Côté)—all kinds of strikes, and none of them is settled to the advantage of the strikers. In fact, if we consider closely what is happening anywhere in Canada, we find that the end of one strike is merely the beginning of another. What is the new minister of manpower going to do about all this? The Prime Minister this afternoon mentioned automation. What does automation mean, Mr. Chairman? It means that man is being displaced by machine; this means that production will stem from the work performed by a machine instead of man.

And what is being proposed as a solution? Absolutely nothing, except the setting up of a department of manpower. When we see a strike break out anywhere in Canada due to automation—and more of them will be occurring within the next few years—what are the unions and the labour leaders asking for? They ask the industrialists, the employers to absorb the wages of employees displaced by machines, by progress, by automation. This automatically increases the cost of goods, hence the retail prices that the consumers of Canada will have to pay.

Increased prices means inflation. Such are the solution currently being suggested to automation which is growing always more important in Canada, like in most countries of the world.

Mr. Chairman, the solution advanced by certain labour leaders that the employers must continue to pay wages to employees displaced by machines—

• (6:20 p.m.)

[*English*]

Mr. Kindt: Mr. Chairman, may I ask whether there is a quorum present in the chamber?

The Chairman: Order. May I read to the house citation 60(2) of Beauchesne, fourth edition, page 49:

> If notice is taken by a member that there is not a quorum present in committee of the whole, the chairman follows the course pursued by the Speaker in the house. If he ascertains that twenty members are not present, he leaves the chair, the house is resumed, and, on his report, the Speaker counts the house, and if there is not then a quorum, he must adjourn the house forthwith.

I would therefore ask the Clerk to count the house.

Mr. Kindt: Mr. Chairman, do you include those who have just walked in?

The Chairman: Order, please. At the top of page 49 of Beauchesne it says:

> While the house is being counted the doors remain open—

Mr. Deachman: On a point of order, Mr. Chairman, will those who are present in the chamber now be recorded or what is the procedure in this regard?

Mr. Winch: Mr. Chairman, may I suggest that you make the count because I have counted and there are now two over the quorum.

Mr. Starr: That happened only in the last half minute. There were only 16 when the hon. member drew it to our attention.

Mr. Kindt: About eight walked in.

And on the count being made, more than 20 members were declared to be present.

The Chairman: Order, please. I declare the committee properly formed. The hon. member for Villeneuve.

[*Translation*]

Mr. Caouette: Mr. Chairman, I am sorry that the hon. member raised the matter of a quorum, because I thought he was listening to me closely; as a matter of fact, I felt I was giving him rather valuable information on labour matters in Canada. At any rate, he was—

An hon. Member: Spying.

Mr. Caouette: —spying.

I shall proceed with my remarks, pointing out that I am not displeased with the appointment of a minister of manpower, but this does not provide a solution to the problem now facing us.

I maintain that the minister will have to come up with other solutions than the ones he offered when he was a very well known labour leader in the province of Quebec.

Mr. Chairman, I said earlier that the increase in prices meant inflation. I maintained that including in the price of goods the salaries paid to workers replaced by machines did not provide any solution at all to the problem. But we, members of the Ralliement Créditiste, and we, supporters of the Social Credit doctrine, believe that there is a way to correct the situation, and that is to increase personal incomes without increased prices being included in the cost of goods.

How? By using the Bank of Canada and by distributing a general dividend to every Canadian citizen. This new credit, based on Canadian production, would not be included in the price of goods but would increase the purchasing power of Canadians and restore economic order in Canada.

However, when we speak of this alternative, we hear good Liberals, good Conservatives retort that it is utopia, that it would be utopian to use the Bank of Canada and that it would be dangerous for inflation. But we are now in the midst of inflation. Not one Conservative, not one Liberal dares raise his voice against that system.

Mr. Chairman, in matters of labour-management relations, we see many union leaders now in Canada—I will name none—going all across Canada to rouse workers, labourers, their members against bad employers. That is why wherever I go, in the province of Quebec and outside Quebec, I say to workers, to labourers, to farmers: Instead of striking against those who pay you, strike against those who tax you. Those who levy taxes are here, in the federal parliament and in the Quebec parliament, in the political organizations of their respective provinces. They are the ones who are responsible for the misunderstandings between employees and employers. And certain union leaders, instead of trying to extol conciliation between employers and employees, try by all means to distribute boxing gloves to both sides in order to create conflicts, so that they may devour one another, they tear one another to pieces. That is the vile role pursued by certain union leaders throughout Canada. The government says nothing about that.

We are informed that a manpower department will be created. We will soon hear the new minister of manpower preach to us that employers and industrialists will henceforth have to pay workers replaced by machines and science, salaries which they will pay for their replacement. This is entirely illogical and unthinkable in a so-called sovereign and civilized country. I repeat: civilized.

Mr. Chairman, there is only one way to help and respect automation. We should ask ourselves as members of parliament, as federal members, whether machine was invented and created to punish man or whether it was invented and created to serve man?

• (6:30 p.m.)

If it was invented as a punishment, let us continue as we are going; we are following the right direction. If machines were invented to serve man, however, we who are responsible to the people must find ways to give men replaced by machines the financial means to buy products made by machines in Canada. Then, we will be able to say that we have worked to balance the Canadian economy, to give the consumers buying power and access to their products.

Mr. Chairman, we may establish as many departments as we like. This will not deal with the situation which is more serious. The solution lies deeper than the appointment of new ministers or the creation of new departments. We must go deeper to reach the source of the economic, political and social ills with which we are afflicted today.

There is talk of separatism in Quebec. There is talk of separatism in British Columbia, in Toronto and in Ontario. Why? Because these people are dissatisfied with the turn of events in parliament.

We are going to appoint new ministers and establish new departments on the pretext that this will conform to the wishes of the people. Let us not delude ourselves, Mr. Chairman; this is not the way to deal with Canadian problems nor to promote understanding between the provinces.

The member for Red Deer (Mr. Thompson) rightly said earlier that a department of federal-provincial affairs should have been established first, to assess the causes of dissatisfaction or disagreement between Canadians. This is not restricted to the province of Quebec. It also exists in British

Columbia, in regions where Canadians do not think as we do; we find the same feelings in Ottawa and in Toronto, as well as in Montreal.

Mr. Chairman, there are serious problems needing solutions, problems which we must face not as politicians but as Canadians. This is what the Ralliement Créditiste is working for: the greatness of Canada. This is what the Ralliement Créditiste is working for in the house.

We will not object to the appointment of these ministers, but we will object if they do not give the Canadian people the results they are waiting for in the administration of their national and economic affairs.

At this stage, Mr. Chairman, I appeal to all members of all political parties and all regions of Canada to take a stand so that the ministers, the government and the cabinet may give the Canadian people results which will ensure their security and their freedom.

[*English*]

Mr. Bell (Carleton): Mr. Chairman, this resolution represents only a piecemeal, ad hoc approach to the very major problem of achieving an efficient, effective departmental structure. Nothing that the Prime Minister has said this afternoon changes my conviction that the bill or bills to be founded upon this resolution would set back rather than advance the cause of rationalizing ministerial responsibilities for departments of government. This resolution, in my submission, is exclusively a political solution; it bears no resemblance to genuine administrative or departmental reform. I want to make some very specific submissions in relation to it at the resolution stage in the hope that I may induce the Prime Minister to reconsider the bill or bills to be based upon the resolution.

As long ago as 1912 Sir George Murray, in his report on the public service of Canada, made a statement which has been quoted many times since:

> Nothing has impressed me so much in the course of my inquiry as the almost intolerable burden which the present system of transacting business imposes on ministers themselves. They both have too much to do and do too much.

In the intervening years I fear that has remained a law of ministerial life, and may indeed have intensified. But as well, the distribution of duties among ministers and departments has been uneven and inequitable. The Prime Minister's attempt to grapple with the problem in this resolution is in my submission just a tinkering with a major problem. It is not an attempt to achieve an over-all solution. My basic complaint is that the Prime Minister has taken a subjective rather than an objective approach to governmental reorganization.

The Prime Minister has sought to tailor the portfolios to the ministers rather than to establish the portfolios on a rational basis and then seek to find the best men and women to fill them. I suggest that he has really worked in reverse, creating new caps to fit heads, rather than choosing heads to fill pretailored caps. He has said: I must find something to fit the hon. member for Quebec West. So he tailored him a cap, one quite different from that which would have been tailored if either the hon. member for Mount Royal or the hon. member for Hochelaga had been the member of the triumvirate to be preferred.

My respectful submission is that this is the wrong approach both to governmental reorganization and to cabinet making, and it can only lead to further confusion and uncertainty at future cabinet reorganizations and changes of government.

• (6:40 p.m.)

If the Prime Minister should persist in his apparent intention to have only a single bill based upon this resolution, I suggest that administrative confusion will be the result. With great respect, I submit that each department should have its own establishing legislation. Separate bills can be enacted as expeditiously as a composite bill and the result would be not merely legislative tidiness but greater economy and efficiency in administration for years ahead.

Now, sir, may I state certain conclusions to which I personally have come. The first is that the Canadian cabinet has become much too large for effective administration. I should like to emphasize the submission so vigorously made this afternoon by the right hon. Leader of the Opposition. In my view, the number of ministers should be reduced below 20 instead of the present 26 and the departments of government should be consolidated and rationalized. For this reason the trifurcation of the Department of Justice is the very reverse of what ought to be done.

Second, coincidental with the reduction in the ministry, and indeed whether this is achieved or not, the status and role of parliamentary secretaries should be greatly enhanced. Originally parliamentary assistants

were designed to be junior ministers but they have been reduced to a status which is both equivocal and frustrating. I believe parliamentary secretaries should be raised to the status of junior ministers, given tenure during pleasure such as ministers enjoy, and be invited to sit in cabinet when matters relating to the department to which they are assigned are under consideration in cabinet.

Third, the dangers of appointing so-called specialists or experts to portfolios are, I would submit, very great. This is the real evil of tailoring portfolios to men. The Norman Ward revision of Dawson's, "The Government of Canada", deals in detail with this at page 211, and after outlining the dangers of appointing third or fourth class experts to cabinet portfolios concludes with this statement:

> But even a specialist who is first-class is likely to make a poor minister. Practice has given this an unequivocal double confirmation. Not only has the use of the amateur minister been vindicated by long experience; the expert minister—the one who has presumably a profound technical knowledge of his department's work—has proved time and again to be a failure. The exception that proves the rule in Canadian history—

I am glad to be able to read this.

> —is Mr. Pearson's undoubted success as Secretary of State for External Affairs from 1948 to 1957, after 20 years service within the department as an expert.

May I put it in this way, that I believe in the supremacy of political acumen and intelligence in ministerial choice, particularly in opposition to expertise.

Finally in this phase of my remarks I should like to say that a major rationalization of departmental structure is urgently needed. Much of the present structure has only historical justification. Branches are included with others without semblance of reason except historical aberration. There are some departments and certainly some branches of departments which could operate more effectively and with greater viability as crown corporations. Rather than this piecemeal approach, this ad hoc mending which the Prime Minister is attempting in this resolution this afternoon, I submit he should be proposing a joint committee of the Senate and House of Commons to study and review the whole structure and fabric of departmental organization with a view to simplification and systemization.

Now, sir, may I state certain specific objections to the haphazard and retrograde proposals now before us. The first is that the emasculation of the Department of Justice and its division into three separate ministries will defeat rather than advance the administration of justice. If there were problems of lack of co-ordination in the old department—and I think we all know that there were—they will be intensified now at least threefold under the new proposals. Nothing the Prime Minister said this afternoon has altered my firm view that one ministry of justice, presided over by a competent, knowledgeable counsel, can administer justice in Canada more expeditiously, more efficiently, than the proposed three departments which have no base of uniformity among them. I say that rather than elevate the role of Solicitor General it should be abandoned as a ministerial portfolio and should only be filled as a non-ministerial role when there is in this house a counsel of outstanding talent who might plead crown causes in the courts, as is done in the United Kingdom and some other countries.

The creation of the new portfolio of registrar general is, in my respectful submission, wholly unnecessary. Its evident purpose is to create a portfolio suitable for one man, who happens to be a member that I like very much personally, but that is not sufficient excuse to upset the established balance of the Department of Justice and the Department of the Secretary of State. I predict that we will have a compartmentalized, nook-and-cranny brand of administration of justice, with the public interest suffering.

I want to put this test sincerely and without any malice or guile whatever. Is there a member of this committee who believes that this proposal to divide the Department of Justice into three would ever have been proposed if my hon. friend from Papineau had not encountered what I shall describe in a kindly way—and I mean to be kindly—as misfortunes. Surely everyone knows that to be the truth. Had he not had these misfortunes there would be no proposal for the division of the Department of Justice. Then why are we now engaged in wrecking that department?

I suggest that this is just an unfortunate by-product of the Dorion inquiry. Even at this late date I urge the Prime Minister to turn back, to re-examine the proposal, for I fear that the abridgement and, yes, the truncation of the status and authority of the senior law officer of the Crown, will have a most undesirable aftermath. I submit to the Prime Minister that with one ministry, one minister and an experienced, able counsel in that role such as the hon. member for

Brant-Haldimand, we can restore fully public respect for the administration of justice in this country.

I have equally strong feelings about the dispersal of the Department of Citizenship and Immigration and the creation of the new department of manpower. In the first place, I do not think citizenship should be divorced from immigration, certainly not the citizenship registration branch. Citizenship registration must necessarily use immigration files as its basic records, and I believe the whole balance of convenience is in retaining them in the same department. In many ways the citizenship branch has not had sufficient attention. Successive ministers—and I admit my own fault—have inclined to become so immersed in the detailed problems of immigration and of Indian affairs as to have insufficient time for citizenship problems.

Implementation of some of the best features of the Sedgwick report would relieve the minister somewhat to enable him to give more time to citizenship problems. In the Department of the Secretary of State I fear the citizenship branch will be just another orphan, unwanted, unattended and unheard. All this will indicate my definite view that the citizenship branch must have much greater attention, more money, more staff, more parliamentary support. We have done much less in this field, and what we have done has been less effective, than other democratic countries.

The transfer of Indian affairs is probably logical but it cannot be realistic without the appointment of a separate deputy minister of Indian affairs. Many members of this house do not, I think, realize that we have rushing upon us—I was going to say "creeping upon us" but really it is rushing upon us—the major problems of the 1970's in the field of Indian affairs. This parliament must make soon some very basic decisions or we shall have among our original citizens the most urgent problems of the next decade. At the very least a separate deputy minister is needed. Very soon after I assumed the portfolio of citizenship and immigration I became convinced of this and I think I can say that had there been no change of government we would have had already a separate deputy minister.

• (6:50 p.m.)

However, what troubles me is that the new department of manpower is a marriage of immigration and parts of the public service formerly in the Department of Labour. Personally I believe in proper, selected, continuous immigration as a stimulus to the economy even in periods of recession, but that has never been the opinion in the old Department of Labour.

During consideration of the estimates of the Department of Citizenship and Immigration I have already stated my strongly held opinion that the submerging of immigration into what is basically a labour portfolio is a grave error of national policy. I repeat it and I assert my confidence that a sensible, continuous, long range immigration policy will suffer.

When I assumed the portfolio of immigration, I soon learned that it was the very branches of the Department of Labour now sought to be integrated with it that consistently and persistently brought pressures to bear to reduce immigration, to cut it back, to hold it down, and this at the very time when in my opinion the Canadian economy badly needed the stimulus, the shot in the arm, if you will, of expanded immigration.

The department of manpower will be a department warring within itself, and because of the orientation of the proposed minister of manpower I have no doubt which contestant will win. As a matter of fact, I submit that the net effect of the proposed changes will be to deprive this country of a consistent, long range immigration policy.

I believe I could give the committee evidence of what I assert. In my travels I have visited other countries and their various departments of immigration. I will not mention the countries; I do not want to be invidious in mentioning them. But I believe those which have a separate immigration portfolio are much ahead, in relation to immigration policy, of those that combine immigration with labour. Without hesitation, I assert that immigration as an instrument of national policy is subdued wherever there is this marriage of immigration and labour.

Regretfully I predict that this will be the result of the Prime Minister's proposals here.

In other portfolios the changes have been tailored to a new minister. In the department of manpower they have been tailored not only to the proposed minister but to the deputy minister as well. With great respect and equal firmness, I ask the Prime Minister to re-examine his proposals. It is not too late to change, particularly when a change would be in the interest of more effective administration.

One of the results of the proposals is to leave the Department of Labour, now presided over by the hon. member for Vancouver Centre, so emaciated as not really to be a department at all. Except for the addition to the hon. gentleman's responsibility of Central Mortgage and Housing Corporation, one of the most effective ministers in this government would be virtually unemployed. So basically what I urge the Prime Minister to do at this resolution stage is to refer his proposals to a joint Senate and House of Commons committee for detailed analysis of the whole structure of departmental administration and ministerial portfolios.

I believe that hon. Senators and hon. members can advance new and simplified proposals which will accrue to public advantage generally. The present resolution will defeat effective and realistic ministerial responsibility; it is retrogressive and ought to be reconsidered.

Mr. Mather: Mr. Chairman, in discussing the proposal concerning the organization of the government of Canada I believe it is important that we try to get a perspective of the situation in which the government find itself today. In very broad terms something like 20 million people have sent 265 others here to Ottawa to do what we can to see that the government, its departments and its agencies handle the federal business of the country as efficiently, effectively and economically as possible.

The proportions of this federal business can be very briefly described in these terms. We take in and spend every year something over $7 billion. We have at the latest count some 345,000 civilian employees working in the federal field. The figures I have cited, Mr. Chairman, reflect an enormous expansion in governmental activities over the last 15 or 20 years. It is natural that this has been the case because in the last two decades Canada has moved toward the status of a modern industrial state with the collective type of life and living which that entails.

Both the federal and provincial governments in their departments have certainly stepped up their efforts and their spending toward economic and social development. But this has been going on, Mr. Chairman, under outmoded constitutional provisions with few clear demarcations of the responsibility between the federal and provincial departments. With both stepping up activities there is duplication which is costly to the taxpayer who supports these governmental agencies. I believe the overlapping of federal and provincial authorities is a subject related to the legislation before us, but I will not go into that. I will confine myself entirely to a discussion of the federal governmental need of reorganization, except to say in passing that there are at least 160 federal and provincial agencies involved in water management in Canada, a situation giving rise to a great deal of overlapping and duplication.

There is no doubt at all in my opinion, Mr. Chairman, that for many years federal ministers and departments and supporting agencies have been involved in related and fragmented responsibilities. As one who believes that public enterprise must continue to increase its worth and play a growing role in our way of life in Canada, I mean to do what I can to try to make public enterprise, which is represented by the federal government at the federal level, work efficiently and to improve its administrative functions.

I want to quote briefly from the findings of the Royal Commission on Government Organization, a report which we should remember was made some two or three years ago. I think this report is particularly pertinent to the resolution which is before us. It states:

> It is a wasteful use of ministerial talent to have several ministers concerning themselves unnecessarily with common or closely related problems, just as it may cause a wasteful use of resources to have similar or related operations conducted by a number of separate units throughout the public service.
>
> In addition to the proposals for consolidation of supporting services, a number of recommendations submitted in other reports for the regrouping of duties will have the effect of simplifying ministerial tasks. This can be seen, for example, in the proposal for consolidation of maritime patrol operations in the coastguard service, the transfer of the wild life service to the Minister of Fisheries, the transfer of the Canadian government travel bureau to the Minister of Trade and Commerce, and the assumption by the Minister of Northern Affairs and National Resources of responsibilities relating to northern Indians now held by the Minister of Citizenship and Immigration.

So, Mr. Chairman, I take it that the measure before us represents at least a first step toward a regrouping of these federal functions in line with the principles which were enunciated as the result of the royal commission studies made during the years 1960 to 1963. It is proposed now to establish some new departments, to take from others some services which are now performed in them, and to try to bring out of the whole reorganization a more efficient piece of machinery with which to carry on the business of the

country. I personally approve, generally speaking, of what is being done and I am certainly in favour of the principle involved of better planning, co-operation and co-ordination at the federal level.

I do not know that we can judge exactly at this point how efficiently some of these new departments or new groupings will work. I feel that we will have to withhold our judgment until we see the new machinery in operation.

• (7:00 p.m.)

The other proposals commend themselves to me immediately, particularly those concerned with citizenship and manpower, the grouping of energy and mines and so on in one department. I want to say, though, that while I approve of the objective I do believe it has taken a long time to make this attempt. We are seeing an effort to reform something which has been in need of reform for many, many years. All of us have had the experience of dealing with two or three or more departments of this government, in addition to having provincial agencies involved and realizing that the matter could be settled very quickly if there were a co-ordinating agency.

I note that the Auditor General of Canada, in his recent report, was at pains I thought to underline the need for further reforms in organization procedures of the federal government. He said this, Mr. Chairman:

> We selected 32 departments or agencies of government whose operations had been studied by the royal commission three years ago and where the conditions giving rise to some 450 findings existed.

I break off the quotation there to explain that these findings represented items which the royal commission listed as being defective or, wasteful procedures and practices by the federal government. The Auditor General states that his survey involved seeking answers to over 900 questions at the appropriate levels of government departments and agencies, questions which could be summed up briefly by saying that he was seeking to find out from them what they had done about the many recommendations for reforms made by the royal commission. The results of these questions, the Auditor General says, brought forward this sorry state of affairs, one which I believe still exists to this day. In brief, three quarters of the recommendations by this royal commission, which incidentally cost the country $3 million, had been ignored to date by the different levels of government or agencies.

I think it is incumbent upon every member of the house, Mr. Chairman, to do what he can to encourage the government to go further than they have toward streamlining government operations and making more efficient the operations of the departments. As a social democrat, I have been long acquainted with the overlapping and duplication which is evident in private industry. As a social democrat, I am very much concerned also that public enterprise, as represented by the federal government at least, should seek to eliminate wasteful procedures and present an efficient, competent operation.

The cost of that royal commission, as I said, was $3 million. In my view it did excellent work. The Auditor General states that the task the commission undertook is far from complete. He found no lack of awareness in the departments of government which he questioned as to the need for the many reforms dealt with in the report of the commission. In many instances he found that there was a lack of action in the top management bracket to have these reforms undertaken. This is what interested me, Mr. Chairman: He found that top management itself, in many cases, said that they could do very little to change the practices and procedures which were under criticism in their departments because they had their beginning in actions by the Canadian parliament itself.

I feel therefore it comes back pretty well to us, certainly to the government and to the members of this house, to do whatever we can to continue to eliminate or reduce waste and duplication in the service. With this in mind, while I favour the general proposals which have been put forward by the government, I regret that I have not heard of the government's intention of continuing with this reorganization. We have had no indication from the government that it intends to do what any private industry would do, that is conduct a continuing survey on an annual basis to ascertain how and where more efficiency can be introduced. I support the remarks made earlier today by my leader who said he thought there should be a federal agency which would concern itself solely with improving the efficiency of the government. For many years, Mr. Chairman, in the field of municipalities we have had a municipal manager. It may be the time will come when we will have something in the nature of a federal manager.

I want to conclude by saying I support generally the proposal of the government, which I believe is heading in the right direction. I deplore the fact that no time has been set for a continuation of the same type of work to give us more reforms.

[*Translation*]

Mr. Allard: Mr. Chairman, we now have before us a rather meaty piece of legislation, since it provides for the establishment of a department of the solicitor general, a department of manpower, a department of the registrar general, a department of Indian affairs and northern development, department of energy, mines and resources, for the establishment of the office of president of the Treasury Board and provides finally for such other consequential or incidental statutory amendments as are necessary to implement the changes to be effected by the said measure.

Mr. Chairman, this is quite substantial for a single piece of legislation and we do not have time, in the few minutes at our disposal to analyse in detail all the new trends brought about within the federal administration.

• (7:10 p.m.)

At the outset, I want to point out that the suggestion made a while ago by the hon. member for Carleton (Mr. Bell), was justified, because it would be important not to act quickly with regard to that measure but to allow parliament, through a joint committee of the House of Commons and the Senate, to study all its possible changes.

Tonight, however, Mr. Chairman,—I reserve the right to speak when the bills are introduced for each of the objectives of that resolution—I want to deal mainly with the proposed creation of a department of manpower, subject of capital importance in Canada because it must allow us to approach effectively the country's major economic problems.

We know that a great effort must be made to develop our production capacity, whether in the field of productivity, manpower qualification, training or mobility. Economic and social problems change very rapidly. It is urgent that the governments of our country co-operate to our economic growth and the qualification of our labour force.

For some years now—not only here in Canada but in every country—the repercussions of that phenomenon called automation have been felt in various areas, namely unemployment, manpower displacement

training of workers, financial help to workers and today, there is talk of the need for a department of manpower.

But, before giving our blessing to the creation of that new department, it would be important to know, and we will know it only when the bill is introduced, what responsibilities exactly that new department will assume in the field of federal jurisdiction and probably with regard to the provincial jurisdiction. Besides, the question has been raised sharply and is already quite controversial.

We have, on one side, the Minister of Citizenship and Immigration (Mr. Marchand) who has been saying for some months that to be effective the manpower policy must be carried out at the national level. His argument is based on the fact that the central government is responsible for the economic life of Canada and that, since manpower is an essential element, the central government must be able to establish itself an effective national policy.

The Minister of Citizenship and Immigration does not object at times, in the speeches he makes outside this house, to the provinces administering their own problems of reclassification of manpower. Outside the house, and sometimes in the house, in answer to questions, he repeated the same assertion to the effect that he would not object to the provinces administering their reclassification of manpower, except on two points: the employment office and the financing of a manpower policy.

On the other hand, Mr. Chairman, we have the opposite attitude, controverted by the premier of Quebec who, in Sherbrooke, on May 2 last, stated:

> Action in this field, to be efficient, should come under the government closer the people. This government, said Mr. Lesage, is the government of Quebec. This is a field of provincial jurisdiction, considering its close relationship to education, and the connections of such a policy with area development, social security, schools, educational establishments.
>
> If Quebec did not want to do anything in that respect, said the premier, it would be difficult to blame the federal government. The latter, however, would hardly be able to adapt its means of action to the concrete needs of the people of various areas in the province of Quebec.

The Quebec minister of labour, who comes from Sherbrooke, has also been asserting for some months, in various speeches, and this is probably the reflection of the attitude he had to take when he met the responsible minister in Ottawa at the end of 1965 or at the

beginning of 1966, that the provinces have a responsibility in the economic development.

For that reason, the province must look after the organization of industry, labour and manpower. There should be co-operation with Ottawa, but the latter must not take direct action on manpower in a province, without co-operation with the province. Ottawa should be a kind of clearing house whose director would be in touch with the provincial minister of labour.

A little farther than the province of Quebec, we are aware of statements and attitudes on the part of representatives of British Columbia; for some months, the British Columbia minister of labour has been asserting that the province intends to stay master of its manpower policy.

If we look at the statements of persons who are not involved in political activity, we notice, for instance, that Mr. Roland Parenteau, director of the Quebec council for economic orientation, during the 21st convention on industrial relations, maintained that action in the field of manpower should be restricted to the province without, however, closing the door against the necessary co-operation with other levels of government.

Mr. André Raynaud, of the Economic Science Department of the University of Montreal, also stated at this 21st conference, on April 19, 1966, that an adequate manpower policy comes as much under provincial as under federal jurisdiction, and that manpower mobility was merely an intermediate step in the adjustment process of supply and demand.

Mr. Claude Ryan, editorial writer of *Le Devoir*, had this to say on February 24, 1966:

> Political leaders are dealing here neither with words nor slogans, but with the livelihood of workers. It is essential to become very aware of the problems peculiar to Quebec and to prevent Ottawa from entering alone in a field of great concern to the provincial government. But the common good requires that the true aspects of the problem be first looked into, as realistically as possible, and that care be taken from the very start to prevent the whole study from becoming a jurisdictional dispute.

• (7:20 p.m.)

Here are opinions on manpower policy which are at variance in certain respects and consider matters in a different light. Is the federal government well advised to introduce a piece of legislation designed to set forth a manpower policy without giving us the assurance that all Canadian provinces have agreed on a formula which meets everyone's approval and which would be essentially beneficial to the working class?

To this question of manpower are connected matters coming under different jurisdictions. The matters involved include labour, unemployment, immigration, economic responsibilities, social aspects, educational training and even, in certain respects, civil rights and freedom. Thus it seems that the meaning of the word manpower, which is to become a national policy, comprises responsibilities which are recognized at times as being under the exclusive jurisdiction of the provinces.

This shows that the refusal of the central government to undertake a revision and constitutional reforms in a 1966 context continues to stir up and maintain in this country pressures and tensions which are neither good nor favourable to understanding and national unity.

As for this department of manpower, like in the case of the Science Council and other matters which I pointed out since the beginning of the session, the central government is going about the problem in the wrong way. These fields did not exist explicitly in 1867, they are not defined in the Canadian constitution—the question of manpower did not arise in 1867—it was not then an acute economic problem. Today, however, we are in 1966 and we must respect our constitution. If the governments no longer respect the constitution there will be complete chaos from the constitutional and even political point of view.

In spite of many requests from various members of the house and from all parties for the creation of an urgently needed parliamentary committee, so that federal legislators of both houses may state their ideas clearly on federal policy and responsibility in the economic, social and national context of 1966, the central government refuses and continually puts off the creation of such a committee which would be a first step—while for example the province of Quebec has already established a constitutional committee with the same objective in view—toward a national conference precisely in order to establish and define responsibilities. I am convinced that, from coast to coast, from Halifax to Vancouver, Canadians, even those who do not meet often, feel more like brothers and much closer when they do meet, in spite of the geographic distance between them. But instead of defining responsibilities, the central government continues to increase the constitutional chaos and to maintain tension and pressures on all sides.

Our attitude on this question of manpower is clear, precise and even seems categorically opposed to the new manpower policy announced, not only on the part of the province of Quebec but of British Columbia and probably other provinces, for I have not had the opportunity to discuss it with all the ministers of labour of the other provinces.

Thus the central government decides, by itself and perhaps before the end of its last meeting or before holding another meeting with the ministers of labour of the ten provinces, to define a national manpower policy comprising regional and provincial economic policies. Unfortunately, as in many other fields, the central government is acting unilaterally. It asserts itself, and when it has had its way there will still be pressures and dissatisfaction in the country and nothing leading to the national understanding wanted by all. The steps leading to it are not taken in this house.

Here again, certain initiatives are taken without the consent of the provincial representatives in order to establish Canadian policies which will please everyone.

Mr. Chairman, this is another example of intervention, centralization and bullying with regard to the aspirations of the provinces. I hope that before presenting a bill, those responsible for the new legislation—and today I speak of manpower only—will, as the hon. member for Carleton (Mr. Bell) suggested, refer the question to a joint parliamentary committee, even if this delays by a few months the application of a bill.

When a bill is introduced here, it should take into account the aspirations of the provinces and the particular characteristics of a certain province. There is no iron curtain, there is no problem. It is only a matter of reaching an agreement first and not always imposing policies or upsetting whose who have special problems. That gives rise to tensions, dissatisfaction and creates islands of separatism, dislocation, balkanization, whatever you call it.

Do we want a united country, a united Canada, not only on the cultural level but on the economic level? Well, it is time, with regard to that bill on manpower, not to proceed quickly but to refer the question to a joint committee of the Senate and House of Commons and to consult representatives of the provinces—particularly those which show some reservations about some areas of national manpower and which could create about that repercussions in all the fields where there is misunderstanding and incomprehension—in order to create a mosaic or intelligent policies, accepted not only by one provincial capital up to the third provincial capital, but from Halifax to Vancouver, in order to make our country a united country, to put an end to the disputes, discussions and struggles on constitutional matters.

It is very simple, Mr. Chairman, let us proceed to a necessary reform of a constitution which is only an old piece of paper dating from 1867 and which, probably as far as three quarters of its provisions are concerned, has no meaning whatsoever in 1966.

That is what has been refused here for three months to a great number of members of the Social Credit, the Ralliement Créditiste, the New Democratic Party and the Progressive Conservative party, and to some members of the party in office. Some ministers go to Toronto and elsewhere and say what we are now openly saying in this house.

To smooth over the difficulties, it is essential to unite Canadians on the cultural as well as the economic level. A bill dealing with the creation of a company of young Canadians will be introduced shortly. Well, once again we will see interference in fields of provincial jurisdiction.

[*English*]

The Chairman: Order. I must advise the hon. member that the time allotted to him has expired.

Mr. Kindt: Having spent many years of my life working with corporations in order to improve the efficiency of their operations, and having worked in a similiar capacity with government organizations, perhaps I might be pardoned for speaking on the resolution before us. This resolution is, I believe, of a type which is important and which could be made productive, as far as the smooth working of the government of Canada is concerned.

I was especially interested in the remarks made by the hon. member for Carleton. It was mentioned by him, and by other speakers earlier, that some 26 departments of government are now contemplated.

• (7:30 p.m.)

There is no question of doubt in the mind of any sound thinking administrator that 26 departments are too many. I do not intend to reiterate the words used by others to describe the overlapping and slitting up, but the

departments have become so split up that the average man having a problem and wishing to bring it to the attention of his government is faced with the additional problem of knowing where to write, and to whom he may direct his questions.

The Minister of Labour, who is sitting opposite me, is one of the most efficient ministers in the government, and I am certain that he could handle the portfolio of manpower as well as of labour. The two fit nicely together. When you are talking of one you are talking of the other, and the policies of one affect the policies of the other. If we are going to get the maximum benefit in this country it is necessary to have both those portfolios combined under the supervision of one good man.

The hon. member for Carleton mentioned immigration and citizenship. I shall not dwell on them, but I do wish to mention the Department of Agriculture which at present is split three ways. The marketing of wheat, which is one of the principal functions in agriculture, is just about a full time job for one man, working in co-operation with the Wheat Board and with all other agencies of government concerned with the marketing and the finding of markets for wheat, in order to keep a balance between supply and demand and give the farmers the maximum return for their product. But no one man, be it the present minister or anyone else, can handle the heavy work of the Department of Finance and also the marketing of wheat. The two do not fit together. Marketing of wheat, a part of agriculture, is tailored to fit one particular individual who is responsible for the agricultural portfolio.

Dealing with the other splits in the Department of Agriculture, I notice the Minister of Forestry is also in the chamber. He has responsibility for ARDA, and for feed grain for eastern farmers. I submit that a minister of agriculture could be assigned those functions. I can understand why he was given them, in order to give an eastern connotation or flavour to actions which might be taken. I submit that the responsibilities for ARDA, feed grain and so on, rest primarily and most efficiently under a minister of agriculture, as does also the marketing of wheat.

The present Minister of Agriculture is responsible for certain scientific branches. He also controls the pricing of certain products such as butter and eggs, but at the same time he is concerned with production. I would like to see any corporation that could operate efficiently if it had production in one centre and the marketing away off somewhere else. These have to be co-ordinated under one individual.

The production of wheat and other agricultural products, as well as the marketing of them, should be the responsibility of one man, who would also look after pricing,—instead of being scattered all over the map as they are at present, one in finance, one in forestry and one in agriculture.

The Department of Agriculture was split up in order to accommodate the former minister of agriculture. There is no doubt about that. Now it is split up to help accommodate the demand for someone who can look after Quebec. We all want Quebec looked after, just as we want all other provinces looked after. One department should be sufficient for agriculture, and one should be sufficient for manpower and labour.

If I were to repeat what other hon. members have said I could show where we can do away with no less than six ministers, which would bring the number of departments down to about 20.

If we had only 20 ministers, then to make the house operate efficiently I suggest that a committee of members be set up behind each minister, and stipulate that each minister attend all the meetings of his respective committee. At the present time we have a committee structure under which we cannot get quorums. I ask why? It ties into this whole set-up of governmental organization, and when you talk about one part you are also talking about the other. It is like a number of balls in a bowl: When you move one ball every other ball shifts to a new position. The same thing is true when you delve into the question of the proper organization to make parliament click.

Parliament is not clicking now, and a lot of people are saying that we should do this or that in order to make it more effective. I suggest that if parliament were organized in terms of a number of committees, one behind each department, and made it obligatory for the respective minister to attend all committee meetings, the system would work. A committee chairman could ask a particular minister, well in advance, what dates he could attend.

We all know ministers are busy but they are not such big shots that they cannot attend committees when members of the house are present. When I want to get some point across on the estimates of a particular minister, I can do it in committee if the minister is

there. He is the man I want to talk to, not some parliamentary secretary. If the minister is not present then the committee should adjourn. What is the point of meeting and just talking to the four walls? It is the minister who is responsible for the work of his department and it is to him members want to talk.

In addition, at committee meetings certain officials on the administrative staffs of branches should be present. If that were done, then all three branches of government would be concentrated in a committee and a subject could be discussed meaningfully. The order of business would be worked out ahead of time.

• (7:40 p.m.)

Each particular member would know well in advance what subjects would be discussed and the work would be divided up logically. Different persons would be responsible to lead off in discussion, and they would be prepared, whether it was in respect of estimates or any other subject. However, there now is no such organization back of committee. The member receives a notice to attend at a certain time; you go and there is not a quorum. I went to a committee the other day and sat there for half an hour; there still was not a quorum and we had to go out and shanghai another representative in order to make up a quorum.

It is clear to anyone that the problem of making these committees work is one which involves giving to the members of parliament who are sent here an opportunity to get their ideas across to the minister who is responsible and to the administrative officials in the various departments; in other words, the members wish to get together with the ministers and their officials to hear what is being done in their particular departments. They also want the opportunity to discuss with the minister the financing and so on of the particular department, rather than with somebody else, because the minister is responsible.

I should like to say that any minister who is running a department of government should welcome the opportunity to have 10 or 15 members of parliament meet with him and with certain members of his executive where they could have an opportunity to sit around together and talk. Of course, it all would be taken down and so on; but out of that discussion the minister would receive a tremendous benefit. I say to the Minister of Forestry and the Minister of Labour, as the ministers who are here now and who may be leading in the discussion on this, that if they are going to make this parliament work, and satisfy the members, they must get down to the fundamentals of what will retain the interest of individual members. The 60,000 people who sent me down here did not send me here to talk to four walls in a committee room without the minister being there; not on your life. The minister too does not have enough time at any other period to listen to my words on this, that or any other thing. If I or any other of the 15 members who might be on the committee have any contribution to make on the subject of his department, the time to do so would be when they are called together and the minister is there in front of them.

I would suggest that if this type of organization was set up, it would be the obligation of the minister to be present whenever a committee meeting is held. If that were done, it would solve the problem of attendance, of a quorum, and every other thing. I would go one step further. I would give the members a couple of chances and then if they did not attend, except in cases of illness or something like that, they would be taken off the committee and somebody else put on in their place; you have to be a little more strict and a little more tough. It is a little like the sap in the tree: It flows both ways, from the cabinet minister to the members and back. The executive also benefits, and everyone is stimulated. If you harmonize those people and being them together under one committee set-up, you will receive the best co-operation from members of parliament and, in addition, you will get the various parts of government fitting properly together.

In respect of the suggestion that this matter be submitted to the Committee on Broadcasting, Films and Assistance to the Arts, I should like to say that I do not think that is the place to submit it. I think it should be sent to some special committee composed of members of this house who have had some experience at least in making committees work; it should consist of representatives of the various parties. They could then bring in a suggestion to the government containing changes which would improve the order of business and the type of business.

I am certain—with all due respect—that if the ministers who are in the front benches were to take this up and seriously consider it, they would find that the members of this parliament would be more behind what they are doing, would be more cognizant of the action they are taking, more appreciative of

it, and that it would all work out in the best interest of the people and the government of Canada. The work of parliament could be handled in six months.

The Chairman: The hon. member for Vancouver East.

Mr. Winch: Mr. Chairman, the approach in principle to resolution No. 56 which now is before us already has been presented by our house leader, the hon. member for Burnaby-Coquitlam and the hon. member for New Westminster. I am not going to repeat what they have said. I do wish to speak, however, for a little while on this most important resolution because of two aspects contained therein, and also because I have been intrigued somewhat by the statement of the hon. member for Carleton, and just now by the hon. member for Macleod. It appears to me that the major attitude of the hon. member for Carleton toward this resolution was the fact that if it is passed and the bills which are to follow it were passed, it would mean the establishment of 26 departments and 26 cabinet ministers.

I should like to emphasize that personally I do not give a hoot whether the number of cabinet ministers is 15, 20 or 26; the number of cabinet ministers is not the important factor. The important issue is that whatever number is required in respect of cabinet appointments they shall be such that there is no overlapping, that there shall be efficiency and that the responsibility of each and every cabinet minister shall be such that he will be in a position to know his department, know his responsibilities, do his job, and do it effectively.

The ultimate question is not the number; it is the efficiency of the operation. Therefore I cannot accept, in opposition to this resolution, a debate with regard to whether there should be 15, 20 or 26 cabinet ministers. I was of course most intrigued by the remarks made a few moments ago by the hon. member for Macleod. When it comes to labour, he wants everything put together; but when it comes to the matter of selling our wheat, that is the problem for one man.

It was most interesting when the hon. member for Macleod stated that manpower should be within the ministry of labour. Originally I felt the same way, but I had to change my mind. Why did I change my mind? When considering the history of events in the last few years we find that when the Conservatives were in office the hon. member for Ontario was the minister of labour. I remember that hon. member in answer to a question in this house telling us that the government had established an interdepartmental committee to deal with problems associated with automation. However, I cannot place my hands on any report received by the House of Commons on the work of that interdepartmental committee dealing with automation, nor can I place my hands on any legislation based on the studies of that committee.

• (7:50 p.m.)

The Conservative party was then replaced by the Liberals as the party in power. I remember the minister of labour in the Liberal government also telling this house about an interdepartmental committee which was set up to deal with the problems created by automation. I cannot place my hands on any report from that interdepartmental committee or legislation based on any studies it may have made.

For these reasons it appears to me that under both the Conservatives and the Liberals no department of labour or departmental committee under the responsibility of the Minister of Labour was able to come up with recommendations dealing with one of the greatest problems which faces the Canadian economy. Let it not be forgotten that perhaps the greatest problem facing our economy is related to matters of technological development, modernization and automation.

Over the years these problems have fallen within the purview of the Department of Labour, but no effective action has been taken by that department. I think the present government is doing the right thing by establishing a manpower department, because this whole matter is of such vital importance it requires special and intensive study on a basis separate and apart from the other responsibilities the Minister of Labour must accept.

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

Mr. Winch: As soon as I have completed my remarks I shall be glad to answer the hon. member's question.

The importance of this whole question was brought forcibly to my attention last fall when I was a member of a conciliation board sitting in British Columbia. This board sat for some eight weeks listening to evidence and formulating conclusions. One of the greatest

problems it had to consider and report upon was the matter of technological advance, modernization and automation. I am proud that this three-man board, representative of employers and employees, with a government appointed chairman, was able to bring forward a unanimous report. Top priority was given to the question of automation. The board recommended that within 60 days there should be a joint committee appointed with certain objectives and powers to work with departments of government and committees on this question of manpower and automation.

We made that recommendation in that way because we felt there had to be co-ordination and co-operation among employers, employees and the government before this problem of advancing technology and automation could be tackled effectively. Unless the three bodies in question work together our Canadian economy will be completely stymied. That is why, although I originally thought manpower should come under the Department of Labour, I now support completely the suggestion that there should be a separate manpower division.

Not only must there be co-operation among these three bodies, but there has to be direction and co-ordination on policy matters. Undoubtedly only the government can undertake to provide this direction in bringing the government, employers and employees together. One of my greatest hopes in supporting this suggestion for the establishment of a manpower department with its own minister is that there will be that type of priority given to direction and co-ordination.

There is no need to emphasize the interest and worry on the part of workers regarding this matter. They have taken the initiative in this directon, but success can only come as a result of co-operation. The leadership should come from the government. There are some employers who buck progress, modernization, and labour's attaining its fair share of the benefits that follow advances in technology and automation.

Here again we see a need for government interest, because in order that the Canadian economy be maintained, so that we can take our proper place in the national economy and international competition, the government must bring in legislation to make employers play ball. There is no other answer to this problem. For the reasons I have expressed, I welcome this recommendation on the part of the government to establish a manpower department with its own minister.

I said there were two phases of the resolution in which I was very greatly interested and with which I was concerned. The second relates to the transfer from the Department of Justice to the department of the solicitor general of authority and responsibility in relation to our penitentiaries, and the ramifications connected with the granting of parole. I have had a great interest in this matter for many years and I think this transfer is an important step in the right direction. Perhaps now we will see some action; perhaps now we will have a department and a minister which will have time to study and understand these important matters. I realize the terrifically fantastic responsibilities the ministers of justice had under the past administrative set-up, and this is the only reason I can think of why this whole field has been neglected so much in the past. Ministers of justice have not had the time or the interest to deal properly with questions of modern penology. As a result the taxpayers of Canada have been paying millions of dollars unnecessarily because of government stupidity and the fact that their policies were so archaic.

• (8:00 p.m.)

Hon. members know that the Department of Justice had a plan of penitentiary construction over the period of seven to ten years. This was going to cost the taxpayers God knows how many millions of dollars. The Elizabeth Fry organization, the John Howard Society, the parole association and every similar body were completely opposed to this plan, but the Minister of Justice said, "Phooey; you don't know what you are talking about. I am going to call the tenders."

As soon as this matter was turned over to the Solicitor General the same representations were made by the same organizations, and within two hours he said, "I cannot stop the development at St. Vincent de Paul penitentiary; it is 75 per cent completed. But I will hold off in regard to every other new tender until this matter can be studied." This illustrates the difference of attitude and approach on the part of a minister who is perhaps going to have the time to make the necessary studies.

We have spent millions of dollars on a narcotics institute in British Columbia. It was opened only last Friday. I was in the Kingston penitentiary for women—I can get in and out—and found there are 20 narcotics addicts

in that penitentiary who are to be moved in June or July to the new Matsqui institute in British Columbia. Nineteen of the 20 women do not want to go there. Why? Because they will be released right back into the same environment and among the same people who made them addicts. Nineteen out of 20 women in the women's institution at Kingston want to be held there and released from there, not taken to an institution 3,000 miles away from which, upon release, they will drift back into the same environment.

The decision was to transfer them to Matsqui, but now that decision is being reconsidered by the Solicitor General. Three days after I and the member for Vancouver-Kingsway drew this matter to the attention of the Solicitor General he was at the women's penitentiary looking into the question. He showed an entirely different approach. He is one who can and will give of his time. Yes, Mr. Chairman, I am in favour of this change. I hope it will result in a different approach than we have seen in the past.

I have just mentioned the women's penitentiary at Kingston. This government spent thousands of dollars equipping a hairdressing establishment there to teach those women a trade. After a long time permission was received from the provincial authorities in Toronto and the plan was that after 1,600 hours instruction under personal supervision these women would be given an official Ontario certificate as hairdressers, and upon their release would have a trade.

This hairdressing establishment has not yet been opened. Do you know why? Because it was under the Department of Justice, which spent the money to equip an establishment inside the prison to teach hairdressing, but it has not yet been used because they will not supply the money to pay an instructor. These are the kinds of stupid things that have gone on in the penitentiaries system, which falls under the Department of Justice. I presume these things have happened because the minister has not the time to deal with everything and leaves it to the bureaucrats, who do not give a hoot anyway. I give the committee just those two examples, the transfer of narcotics addicts to a place they should never go to, and spending a great deal of money to train people, and then leaving the plan to gather dust because they do not supply an instructor. We hope that upon a transfer of responsibility to the Solicitor General this sort of thing will change.

The Deputy Chairman: Order. I regret to interrupt the hon. member but the time allotted for his speech has expired.

Mr. Winkler: Mr. Chairman, may I be permitted to ask the hon. member a question?

The Deputy Chairman: Does the committee give its unanimous consent to the hon. member's asking a question of the hon. member for Vancouver East?

Some hon. Members: Agreed.

Mr. Winkler: I listened attentively to the hon. member's contribution; I heard his words of approbation, and so on. He was denigrating this government and the previous government for lack of action in meeting the technological advances and advances in automation in today's society. I would ask the hon. member—and I ask my question in all seriousness—if he does not consider that the contribution made by the previous minister of labour, the hon. member for Ontario, for the vocational schools training program and in the field of university expansion was a valuable one?

Mr. Winch: Of course it was a valuable contribution; but that does not solve the problem, and it did not require a special committee, departmental or otherwise, to bring in that legislation.

Mr. Winkler: That is quite right.

Mr. Winch: The major problem is still to be resolved.

Mr. Winkler: It will never be resolved.

Mr. Aiken: Mr. Chairman, I should like to make a few remarks, and they will be critical, on the matter of the setting up of the energy, mines and resources department. When I say my remarks will be critical, they will not be critical of the fact that the department is to be set up, because I think it is necessary. However, I will be critical of the actions, of lack of action, of the minister who holds the portfolio of Minister of Mines and Technical Surveys at the present time. I will not stray from the subject before the committee, but I think this question is important to the subject.

I agree completely that a department of energy, mines and resources is a logical department of government. In my opinion the duties assigned to this department are the

most important in the whole area of government at this time. Several problems are critical and others are urgent on a long-range basis. In the critical stage I place the matters of water pollution and power transmission. In the urgent stage I place the matters of water resources and minerals development. The setting up of a department does not of itself accomplish anything. Neither does the shuffling of responsibilities among the ministers, because this is an administrative act. Nothing is accomplished until results are obtained.

I submit that reorganization should be a tool to strengthen and co-ordinate policies in energy and resources.

• (8:10 p.m.)

Some strong policy direction should come from such a department. However, the Minister of Mines and Technical Surveys already has his responsibilities assigned under order in council. In effect the passage of this measure will not add anything to the department, except to change its name.

During the past three or four months we have had an opportunity to observe the minister's conduct of the department and the effectiveness which the combination of these various responsibilities has had on the energy and resource field. I am afraid, Mr. Chairman, that we have waited in vain for some policy statement in connection with water pollution and water resources. I have read the numerous speeches made by the present minister, all across this country, and he has made many, but I have not managed to read any which refer to the department of which he is the minister.

His speeches have been directed toward English-French relations, constitutional readjustments and everything else except the department for which he is supposed to be responsible. Therefore the burden on my point is that some reorganization of the department will not produce results.

I am sorry the minister is not there tonight. I am not normally critical. I make no apologies, however, because his department is under consideration. The resolution certainly includes a reorganization affecting energy, mines and resources. I believe it is my responsibility to point out that, regardless of the fact that the reorganization of this department has been in effect for several months, nothing has come of it. For example, we tried to get statements of policy on pollution. Many questions were asked, and the minister's reply was: "A statement is coming; we are working on it; give us time"—and so forth. We were led to believe that eventually we would receive a statement on this very urgent and serious problem of water pollution, particularly as it affects the Great Lakes. Then within the past week the minister, when pressed as to when he was going to make a statement, said he was working on it. He then said, in effect: When you do get it there will not be anything in it; we are only going to explain what we are doing, and in some general sort of way pacify the public and try to prevent them from getting too upset.

It is true that a solution to the problems of water pollution is not quick, and it is not easy. The problem on lake Erie is one which will take years to solve. However, as we all know, there has to be a beginning, there has to be a first step. Not only that, there has to be the appearance of a first step. However, we have had nothing along these lines. I regret that nothing has been done about this critical matter. In spite of the fact that the responsibilities have now been transferred into the minister's hands, what we are discussing will do nothing more than give a name to the department of which he is the minister.

Therefore, while I do support the creation of this department and the idea of energy resources, minerals, atomic energy, water resources, and so forth being placed into one department and under one minister, this action should be a tool to assist the minister in doing the job which he is supposed to be doing; it should be a tool which he can use to co-ordinate the policies in connection with water.

We know and the Minister of Northern Affairs and National Resources, who is in the house, knows the terrible mess water problems have got into under the administration of the government. I am not blaming anybody at this moment at all, but we had one facet of water in one department and another facet in another department. This has been spread all over the map. Those of us who have been interested in water levels, water resources and water pollution have had to skip from minister to minister to find out which one has the particular authority in this situation. This is an intolerable situation. I had hoped when I read the original announcement about the combination of these departments, and of water resources under one minister, that here at last we were going to have under one minister the responsibility

for these related problems. I thought this idea was good, but only the results will show whether it is good or not.

In supporting the resolution in connection with this particular department, I say that there is no use whatsoever in making these administrative changes unless the ministers who are in charge of the departments take hold of them, and make use of the tool the government has created for them.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I am very glad, along with other members in this group, to welcome this resolution and the changes it is bringing about in general, because we approve very much of the principle underlying the reorganization of necessary government services at this time. This does not mean that we are necessarily going to believe that everything will work out as planned. There may be a great many reasons why parliament should continue to develop the reorganization. I believe what the Prime Minister said this afternoon was very true, that there will have to be continuous changes and that in these times of rapidly moving events we are far from having reached a final form of reorganization or effectiveness in governmental departments. There are several departments where I believe there is real hope for great improvement through the new set-up. One I believe will be in combining the Indian affairs branch with northern development. One finds out at every turn from people who are working with the Indians that the only hope is to deal with them in conjunction with their surroundings, and not try to pull them out of those surroundings.

I believe that the combining of these two branches will be a benefit to the Indian people and to Canada as a whole, because they are citizens of this country.

• (8:20 p.m.)

Now, in looking over some of the changes in the departments, it seems to me that the improvement lies in the fact there is an attempt in reorganizing these departments to fit the people concerned into the services in a much closer way than has been the case in the past, and to have ministers deal with a more limited range of services and a more limited sector of the population.

Another department, in which I think many of us are perhaps more interested than any other, is the new department of manpower. I am interested in it from an angle that has not been mentioned, I believe, during this debate. I refer to the fact that I want to hear what is going to happen not only with regard to manpower but with regard to womanpower. I find over and over again illustrations of the survival of an economy where women were expected to remain in the home and men were outside. The outside life was directed mostly toward men and their work. Even the term "manpower" indicates that such is still the case in the mind of the government.

I know it is very easy to brush off this argument in a gallant way by saying that man embraces woman, and that sort of thing. However, this is not the case when it comes to the organization of labour. I should like very much to have the new minister of manpower make a statement some time about the plans of his department for dealing with this large proportion of workers who will be married women gainfully employed outside their homes, as well as single women. I think that in any discussion of manpower there are additional facets that must be discussed, in view of the fact that women, particularly married women, have now moved out into industry in very large numbers.

In so far as vocational training is concerned, I think the department of manpower will have a great many new things to consider, which perhaps they do not even realize now. As the problem of training for women comes more and more to the fore, consideration will have to be given to the provision of facilities which will allow married women with children, even older children, to work in industry without neglecting those children. Perhaps we might like to have women with children remain inside the home, but this is not the case today and we have to deal with conditions as they are. I hope that the newly constituted department of manpower will be considering such matters as vocational training for women including the training, perhaps on an apprenticeship basis, of helpers for nursery schools and supervisors for nursery schools. Perhaps this training could be given in conjunction with universities. Nursery schools are going to be an essential part of the machinery to make it possible for married women with children, who are now out in industry, to continue their work without neglecting their children. These are the things the department of manpower will have to consider.

Far from wanting to leave the department of manpower combined with the Department

of Labour, I think myself that if the present minister of manpower is going to hope to do the job that is laid out for him, along with immigration and other classes of work, he will have to be triplets. I should like to underline, just for a moment, what my colleague the hon. member for Vancouver East said about the desirability of the Solicitor General, whose work now includes the penitentiaries and parole boards, paying some heed to the demands of prison officials and the people in penology before these women drug addicts are moved out to that new prison at Matsqui. These people have made a study of the problem and have had something to say about the extreme foolishness—perhaps an even stronger word could be used—of sending these women back to Vancouver after their release. There is only one place they can go, and that is 30 miles back into the metropolis of Vancouver where they originally got into trouble. Vancouver is the worst drug centre in the whole of Canada, and these people will only resume those associations and those habits which got them into this trouble in the first place.

I would hope the Solicitor General would take a long second look at this matter. I am convinced he would be far more inclined to follow the advice of those in the east who have made a study of this thing and who have successfully released some of these women into Ontario centres, which are not so dangerous for drug addicts.

I want now to turn to the other point I wish to mention tonight. If it were possible to introduce an amendment to this resolution, I would do so. While it is an excellent thing to have these new departments created, and I think in the main we shall find they will work out satisfactorily, I am going to suggest that the one which has been left out is probably more important than any one of the changes that has been made. We have a government department for nearly every sector of the population we can mention, except the big one which covers all of us in our capacity as consumers. We have no government department today to look after the affairs of the millions of men and women who do the buying in this country. There is no government department to advise them, to protect them or to look after their interests in the consumer field.

Consumers are big business in Canada. They spend about $29 billion annually. By far the greatest part of our spending in this country is done by consumers, yet they have no department of government solely charged with looking after their interests. I know there are bits and pieces of consumer legislation and consumer facilities scattered throughout the various government departments. For instance, Trade and Commerce has its division of weights and measures. Agriculture has its consumer information service, and the inspection of meats and other products. Fisheries has its consumer branch and its public information branch. Health and Welfare has its food and drug directorate. Justice has the combines legislation. Undoubtedly there are other departments of government which have, as I say, bits of consumer legislation in operation; but there is no single department charged with the responsibility of looking after the interests of consumers as a whole. This department is long overdue.

Outside this department the Canadian Association of Consumers has for six years now been demanding over and over again that we should have consumer affairs in charge of a single minister. They urged specifically in their brief, which was presented just three weeks ago, that before this legislation is passed there should be a review of the necessity for having a department of consumer affairs set up. I do not intend to cover the whole field of what should be included in a department of consumer affairs, because that will be done during discussion of my resolution, which will be up for discussion shortly. However, I should like to quote from the brief of the Canadian Association of Consumers:

• (8:30 p.m.)

> Consumer problems concerning several departments are sometimes referred to interdepartmental committees. If the chairman has no definite responsibility for the effect of government policy on consumers, the problems are apt to become "bogged down" in these committees.
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> For example—in December 1963 the recommendations on pesticides made by the committee of the House of Commons on food and drugs were tabled in the house and were later referred to an interdepartmental committee. C.A.C. is still waiting for action on the recommendations concerning the labelling of pesticides.

There, Mr. Chairman, is just one example of what happens when everybody's business is nobody's business. That happens when you have got consumer affairs matters being scattered throughout various government departments.

The Canadian Association of Consumers is very anxious that any department of consumer affairs should have included in it (a) the

food and drug directorate; (b) the combines investigation branch, (c) an economic research branch, responsible for research into such items as matters arising out of the combines legislation, legislation on patents, companies, consumer credit and other economic questions; (d) administration of legislation on consumer credit; and (e) administration of any other legislation related primarily to the consumer interest.

The association is most anxious that this committee should be set up with a minimum of delay. I would point out that this afternoon the Prime Minister stated: "I am sure that additional steps will be required." He was, of course, referring to additional steps in government reorganization, and in the reassessing of the work of the departments.

I am sure that millions of consumers in this country tonight are convinced not only that additional steps will be required, but that this particular step of setting up a department of consumer affairs is long overdue. I would urge upon the government the necessity for including in this particular reorganization the beginnings of a full fledged department of consumer affairs, with a minister whose whole time will be devoted to it.

The urgency is great. From month to month we find the cost of living rising. Complaints are coming from consumers about labelling, deceptive packaging, about their being kept in ignorance as to the cost of credit, and about many other things. When these complaints have been brought up in the house on a number of past occasions since the beginning of the year, no one on the government side of the house has been in a position to answer with respect to them. I urge that if the government is serious about representing the interests of the people of this country, that it should not stop after representing only the sectional interests of industrial workers, farmers and people in various occupations in this country, but that it should take time to look at the Canadian people as a whole in that activity which concerns all of us, namely the buying of the things in this country that we all need from day to day.

I think we ought to set up without delay a department of consumer affairs as part of the reconstituted set-up of government.

Mr. Hamilton: Mr. Chairman, when I saw the resolution on the order paper last Monday grouping five departments together, I immediately recognized the astuteness of the move. Instead of having a single resolution, and a single piece of legislation covering each department, which would be the regular and orthodox way of handling the matter, the government has attempted to cut down debate by grouping the five departments under one resolution.

As does everyone who tries to outmanoeuvre the House of Commons, the government has fallen into a trap that only it could fall into. It has left out one of the key departments, the department of forestry and rural development. I mention that, Mr. Chairman, because my remarks—

Mr. Nicholson: Would the hon. member permit a question? Did he hear the remarks made by the house leader late this afternoon on this very subject? Have those remarks been reported to him, if he did not hear them?

Mr. Hamilton: I did not hear the remarks of the house leader, but they were reported to me. I did not want to embarrass anybody by taking his statement too seriously. I simply point out that in the effort to try to reduce debate, the government is going to make debate chaotic. Several members in all parties would like to deal at some length with several of these departments. We still have hope of course for some sort of answer from each of the ministers involved, as to what his policies are.

Since December, when the announcement was made, we have been waiting and waiting for the minister to bring some statement before the house, so that we would have a chance of considering constructively policy suggestions, which the minister could work into his new department.

Having said all this in the way of introduction, I should now like to get down to the points in the resolution at hand. One of the statements made this afternoon by the Leader of the Opposition was that the best reason for change was experience, as opposed to the concept of change for experimental purposes. The hon. member for Parry Sound-Muskoka I think got the kernel of the debate correctly when he said that it does not make any difference how many departments you create, it is what you do with the departments that counts. Therefore on the basis of the admittedly limited experience I have had, I am going to discuss the question of the reorganization of departments.

The Leader of the Opposition mentioned that from his experience he thought there should be two levels of cabinet. He inferred that there should be the senior ministers and,

in effect, junior ministers to handle those operations and divisions of government that were not in the mainstreams of general policy.

I do not think there is any question that, with the tremendous increase in the involvement of government in running the country, the multitude of things that have to be handled by cabinet is much greater now than it was 10 years ago. Certainly it is much greater now than it was before the war. Therefore I am going to propose that in addition to the two cabinet levels—and to set this up would not require any legislation in the house because that could be set up as a matter of custom—there could also be a grouping of cabinet ministers.

I suggest that the cabinet could be grouped into four groups. The three main groups are, first, human resources; second, material resources; third, trade, finance and all those things dealing with the monetary and fiscal side of government, and, fourth, the grouping of those ministers who do not fit into those particular categories.

I do not think there is any question about it, and any of my colleagues on this side of the house who have served in cabinet, as well as the ministers on the other side, will agree that a natural grouping takes place between matters dealing with justice, Indian affairs, citizenship, labour matters and education. Those things always seem to have similar characteristics that naturally make the ministers in charge of these departments colleagues in similar groupings of cabinet.

Next I deal with material resources. Into that grouping come headings such as energy, resources in the form of mines—or any other form of energy utilizing land, air or water —agriculture, fisheries and forestry. All these ministers are interested not only in the development of the production of the items under these headings, but also in the movement forward of these items into the productive machinery. Of course there is a relationship between them because they are all competing for the some things, namely land, water and air.

The third grouping of trade and finance would naturally include the headings of national revenue, the Treasury Board, trade, and departments of industry, and naturally all those matters under the supervision of the Bank of Canada.

I have not tried to be all inclusive in these groupings. I am simply saying that if, once a month there were meetings of these groups, in the organization of cabinet work, where problems of particular departments were correlated, a great deal of the overlapping and a great deal of the clash that occurs in cabinet could be reduced.

In some of the provincial governments across Canada I know that the premiers of those provinces periodically call in their ministers and asks them to report to them what they are doing, what they have been doing and what they hope to do. The premier himself takes on the job of correlating the work going on in the different departments. This is possible in a provincial government because the work there has not yet multiplied to the degree of being beyond a single man. The premier can have a grasp of the general directions and operations of each department.

At the federal level it is almost impossible for a minister to have full knowledge of his own department. Many ministers make the mistake of spending so much time in trying to learn about it in detail that they cannot see the relationship between the department and the general good of the whole government, or of the country.

• (8:40 p.m.)

I would think that, without the necessity for additional legislation, one could add to this legislation the understanding that not only should cabinet be grouped into the senior ministers of each of these sections—and one or two others if you want to add them for the particular experience which they might have to help develop general matters of policy and direction—but you should have these meetings of groups of cabinet ministers to try to eliminate the situation which seems to go on in increasing measure—20 odd departments going in 20 different directions.

In many cases I think we can demonstrate the schizophrenia which has developed in our cabinet for, without any attempt on the part of particular ministers, we have ministers going in different directions without realizing it; we find Treasury Board making one decision when cabinet is making another and it takes months before it becomes apparent that there is schizophrenia in government.

I suggest this is a useful proposal to add to what the Leader of the Opposition had to say this afternoon. He suggested that two levels of cabinet had to come now, because cabinet had grown to such complexity. I have added an amplification to that idea, and suggested that there should be groupings of ministers and that the whole cabinet should not be required to discuss something which is of

interest only to the particular ministers involved in a particular phase of government.

The second proposal I want to put forward based, again, on experience is one doubly needed by the present government. It is clear to me that what is killing the efficiency of government in Canada as well as in the United States and, I believe, in Great Britain and France, is the fact that with this division into departments and the fact that no minister or deputy minister has the time or the strength to learn all about his department, we have this departmentalized effect going on and there is a tremendous loss of efficiency due to the fact that there is no co-ordination between the departments or between groups of departments.

My second suggestion is similar to what I was talking about last Thursday on the bill to amend the Research Council Act, namely that someone has to be in the Privy Council who can report back to this house. At the present time under our rules the Prime Minister is the person who speaks in the House of Commons for all matters looked after by the Privy Council. The Privy Council tends to collect in its orbit matters which cover several departments. That is why scientific affairs, for example, are dealt with in the Privy Council, as they have been for many years.

We understand from the Prime Minister this afternoon that Treasury Board is coming under the Privy Council. Common sense tells us that the Prime Minister is too busy with the tremendous load of other government policy and the social pressures placed on him to attend to all this work in detail and the house does not wish to bother him with questions which ought to be asked.

We have seen many fine things done in the various departments, things which are supposed to be brought to life and pushed by the Privy Council, but they have become dormant because there is no one there to watch over these enterprises. I suggest that someone other than the Prime Minister should be responsible to the house for all the affairs of the Privy Council about which hon. members have a right to know, and upon which action should be taken.

I do not care who this person is. Under our system we can give to the parliamentary secretaries more power than they now have. We can say to the two parliamentary secretaries to the Prime Minister: We hold you responsible for the action or lack of action on these various administrative things that are going on in the Privy Council.

This would mean no loss of prestige to the Prime Minister because the whole house accepts the fact that you cannot ask the Prime Minister to look into all the details of Treasury Board transactions. That is a full-time job for any one man, and even then he would have only a partial grasp of it.

If we had someone here we know we could approach when certain things happened or did not happen in Treasury Board, if we knew we could ask questions and this person would be empowered by the government to answer, it would be an improvement. If the government or the Prime Minister do not like the idea of giving this extra power or normal power to the parliamentary secretaries, maybe they would appoint a deputy leader who would have the responsibility of handling the administration. If you like, he would be a junior minister to the Prime Minister. And if that seems a threatening proposal to a leader—if it is felt you are building up a rival—maybe you could empower a junior minister to answer for the affairs of the Privy Council. A position of this kind would be tremendously important, not necessarily in the field of policy. I think this minister would be the one to call the ministers concerned together every two weeks and ask them: What have you done about this cabinet decision; what is ahead that you should be doing? There is need for a correlation and co-ordination of this group of individual ministers.

• (8:50 p.m.)

This would mean no loss of prestige to ministers. I believe most of them would be glad to know what was happening in other departments, but in many cases ministers have to read in the press what is happening. Certainly I know that many of the members of the present cabinet must be convinced that this statement is true, because the variety of statements we get in the press from various members of the cabinet indicates that there has not been any correlation, and indicates that no one has co-ordinated their proposals. They are all riding off in different directions, each in his own right absolutely sound; but when we ask the Prime Minister if what they say is government policy, we all know the type of answer we get. I would suggest it is in the interest of all parties if we could have one minister or parliamentary secretary as a co-ordinator. Which one is immaterial to me, but there has to be co-ordination and correlation of the work.

This system would work two ways. First, all the directions could go down through it, from the Prime Minister and the cabinet to the ministers. All ministers would get directions flowing the same way and they would be working on the same wavelength. Vice versa, a flow of information and ideas could go back up through it, covering suggestions coming from one group of ministers, or from an individual minister if the group agreed to his suggestions, and then these could be fitted into the over-all policies. It would also obviate long debates in cabinet to explain a very technical matter to a group of people who have not had time to learn about it in their own departments.

The second reason for suggesting this person to co-ordinate and correlate the work is a simple, single word, and that word is dynamics. I am sure ministers know what I am talking about. One minister works hard at producing an idea. He gets it to the stage where it can receive cabinet discussion and direction. It is then put in the hands of the Privy Council, or some other department, but the idea drops there, and stays dormant because the person who has direction of the idea is not the one who is pushing if forward.

Without trying to single out any particular minister, I quote the legislation called ARDA. This legislation took a long time to develop, a long time to sell not only across the country but to one's colleagues, because the legislation is a very technical type of approach to a problem. Then when the government changes there is a long hiatus before one catches any indication that any minister in the new government is beginning to understand what one has been trying to do.

I want to pay my respects to the present minister because, after a long year of waiting, I was glad to see the intellectual power he turned loose on this legislation, and I helped to do whatever I could, not because I am a supporter of his but because I thought it was an idea that was worth pushing. But I know there was a gap of a year or two before a decision was made as to who was going to take it over. I could not tell whether it was going to be under agriculture or under the new Department of Forestry. To people at the low level of income that gap was a period of long, painful waiting. Therefore we missed about two years of forward motion, something which is not fatal, but to the people engaged in that wait it was a desperately long time.

So, the word is dynamics. You have to know, to understand and want something to make it work. This can only be when you have someone correlating your work, when you know someone is not cutting it off, and stymieing it, because of lack of understanding or appreciation. Once you have cleared the idea with a group of ministers, once the cabinet has accepted it and you know that there is somebody pushing it, then you can expect progress.

I think I have made my points clear enough. I had hoped to speak on manpower. I had hoped to suggest that manpower should really be one department with an associate minister. I wanted to speak on energy, mines and resources, because these were my first interest. I had many things I thought I would say. I also wanted to speak on forestry. I may get the opportunity to do so during discussion at later stages of the legislation to be brought forward.

In closing I want to support the hon. member for Parry Sound-Muskoka in his plea that some time during debate on second reading, when the duties of the ministers are before the house, the ministers who are going to take over these departments will give the house and the country some indication of where they stand and what they are going to do so that we, to make our criticism helpful, can concentrate it on a definite proposal. It can only be concentrated, successful and positive if we have statements from the ministers. I appeal to the government, when second reading is reached, to have the ministers concerned give us clear statements on what their duties will be and what their philosophies are, so that we can concentrate our criticism on those subjects.

I know it was a politically smart idea to bring all these departments into one resolution, but the only chance we shall have to put our best ideas forward is to have the new ministers make statements, so that we can focus our attention on those statements.

Mr. Pickersgill: Did I understand the hon. gentleman to suggest that this afternoon the Prime Minister said Treasury Board was to be under the Privy Council Office?

Mr. Hamilton: Yes, I said that because I heard the Prime Minister say it, and my understanding of the resolution was that there was going to be a sort of president, or almost a minister. When I heard the Prime Minister's statement I was waiting for amplification of it.

Mr. Pickersgill: I was not present to hear the Prime Minister, but if the hon. gentleman will look at the resolution he will see it says, "to establish the office of President of the Treasury Board." I do know it is contemplated that that office would be held, not by the Prime Minister, or normally by the President of the Privy Council, but by another minister. In so far as that part of the hon. gentleman's argument is concerned, I thought it well to make that point clear at once.

Mr. Hamilton: I want to thank the minister for making that clear, because I did write down what the Prime Minister said about it and it bolstered the strength of the argument I was making last Thursday vis-à-vis the National Research Council. I think the minister will agree that, periodically, scientific research has been pushed forward for a few years, and then interest is lost in it. Later it is pushed forward again. There is an up and down in the pushing behind it, and one of the reasons is that the Prime Minister's office is so busy that it cannot push the idea forward dynamically. When I heard the Prime Minister say today that Treasury Board would be under the Privy Council, I was quite surprised.

Mr. Pickersgill: I think if the Prime Minister did say that it was a slip, and he would want to have it corrected. If one reads the resolution, that is not the intention.

Mr. Walker: Would the hon. member permit another question? His were very interesting and constructive suggestions, but I just want to be clear. Was he the spokesman for his party tonight? Do these suggestions have the support of the rest of his party?

Mr. Hamilton: Mr. Chairman, if ever I said they had the support of my party my remarks would be in great doubt; but I can say this, that I have discussed this matter with a good many of my colleagues who served in the cabinet, and they agree that these suggestions have great merit. They are not party policy, however, or anything like that.

Mr. Brewin: Mr. Chairman, the hon. member for Burnaby-Coquitlam and other speakers from this party have already made it clear that in general this party approves the resolution and the proposed reorganization it contemplates. But I must admit personally that I rather tend to underemphasize and underestimate the importance of structure. My sentiments could be summed up in the proposition that the shape of the bottle is of less importance than the contents.

Notwithstanding that, and although I feel that the quality and energy of a minister and his colleagues are of much more importance than the precise definition of their duties and responsibilities, I recognize I may be wrong and the formal division of responsibilities is perhaps important in facilitating or frustrating the efforts of a minister and the efficiency of his department.

Tonight I would like to discuss the proposed changes affecting the Department of Justice and to express my fears about some aspects of the proposed changes.

• (9:00 p.m.)

Mr. Chairman, there can be very little argument but that the minister of justice in past years has been greatly overburdened and that some adjustment was overdue. I think we urgently need a new quality, new energy and power in this most important department. There are however some other key matters which face a minister of justice. I should like to suggest that the inroads and the threat of organized crime on this continent present a very real challenge to governments, and that this challenge cannot be met without a new concept of co-operation among the different levels of government, new co-ordination among the different governments and new training of those who are required to deal with this problem.

I do not have his words in front of me, but recently the President of the United States declared a war on organized crime as being necessary in that country. I think we have seen enough evidence of the reality of this problem to realize that it is important here. I suggest that the Department of Justice and the police force which it directs are in key positions in any war on, or in any effort to combat, the inroads of organized crime.

We must recognize that organized crime is a serious phenomenon and not just something which was thought up. It has tremendous resources; it has scientific skills; it has a concentrated international organization; it has the ability to hire skilled lawyers and even to corrupt police and other officials. In order to combat this menace the law enforcement officers must be efficient, well trained, and must be able to co-ordinate their operations across political boundaries.

I am disturbed that in the proposed reorganization of the Solicitor General's department as separate from the Department of

Justice, it apparently is the intention to bring the Royal Canadian Mounted Police under the Solicitor General, while on the other hand the law enforcement and the prosecution of the criminal law and the determination of when there shall be prosecution is to remain with the Department of Justice. I fail to see how this can work. Which department will be in charge of co-ordinating activities, say, with the F.B.I. or state, or provincial, police in various provinces, or the municipal police in certain areas? Who will be responsible for the continued training of the R.C.M.P.? Will it be the Solicitor General, whose other main responsibilities are in the correctional field, or will it come within the responsibility of the Minister of Justice, who retains control over the problems of law enforcement?

We are not discussing the personalities of individual ministers; ministers come and go, and even governments come and go. However we are setting up a sort of organization which I suppose is to have some degree of permanence. In this situation I ask quite seriously whether it makes sense to give the responsibility for training of the police who are responsible for law enforcement in various fields and who are responsible for security, to the Solicitor General, and take it away from the Department of Justice.

I am not sure at the present time whether it is contemplated that some of the other responsibilities which come under the Department of Justice are to be taken away from the Minister of Justice and his department. I refer to the fundamentally important function of the Minister of Justice, as the chief law officer of the crown, to give advice on constitutional matters, and to have responsibility for defending the federal rights in the courts—not only in the courts, but in all the discussions which go on with the provinces, and perhaps even the discussions in this parliament. It has seemed to me that sometimes ministers of justice and departments of justice in late years have forgotten that one of their major responsibilities is to protect the federal domain against encroachment from the outside.

Is it contemplated that the registrar general, which I think the title is, should have the responsibility in this field; I hope not. We have heard that the President of the Privy Council—and I do not know whether this is intended as a temporary or a permanent arrangement—is to be given special authority in constitutional matters. I suggest that the traditional responsibility of the Minister of Justice, to be the main adviser in constitutional matters, the main protector of constitutional rights or federal authority, be not taken away from that particular officer and perhaps dissipated in some shape or form.

Again, in the field of responsibility, it has seemed to me that there ought to be a division of the Department of Justice similar to the constitutional rights division of the department of justice in the United States, and I know the situation is different in the two countries. Certainly that is a fairly new department; but if we are going to expand the constitutional rights of individual Canadians, the Department of Justice in my view will have to take far, far more active a role than it ever has played in the past in defending the individual rights of Canadians.

Without adequate enforcement the pronouncement of rights, such as are contained in the Bill of Rights, can turn out to be virtually meaningless. There are many fields, such as in the field of criminal procedure, in which I believe in the future a department of justice should have a division to deal with these matters, in order to be sure that the constitutional protection of these rights is properly enforced. I entirely agree with my colleague from Vancouver East that it is a step forward to have correctional matters assigned to the Solicitor General; it is a very important step forward and I welcome it. I do not quite understand, however, why this could not have been done under the existing procedure by setting up a division on correctional matters and by having the Solicitor General still in a position where his work could be co-ordinated under the general umbrella of the Department of Justice; because I think there is a serious danger in setting up a distinctly separate department in this field. I hear my colleague from Vancouver East saying "oh, oh". I agree with him that there is a necessity for separate responsibility, and I already have said so. Perhaps he was engaged in conversation and did not hear my statement. I agree with him entirely, that there is a need for a separate responsibility or separate minister in this field.

I do not see however why the position of this minister should not be closer to that of the Minister of Justice as is the case in respect of the Associate Minister of National Defence. By virtue of his office he would hold cabinet position and rank, but at the same time by the very nature of his work, he

would be working in close co-operation with the Department of Justice. I believe that would be useful.

There is one other field in which I think a very careful look ought to be taken, and in respect of which I am not too happy. I understand it is proposed to assign the field of bankruptcy law to a new department or to the registrar general. The weakness in the past of the bankruptcy administration is that there has not been adequate staff; there has not been adequate enforcement and the legislation itself has been totally inadequate. The suggested change does not seem to me to entirely make sense, because the breakdown has been largely in two fields—inadequate enforcement and inadequate legislation. In view of this it does not seem to make sense to say that we will solve the problem by lifting something that is now inadequately enforced out of the field of responsibility of law enforcement generally. It seems to me that this could very properly be left where it is, where it seems to me with an adequately staffed Department of Justice and with adequate legislation it could be properly administered.

• (9:10 p.m.)

Solicitors general in the past seem to have had something of a sinecure. This seems to have resulted from the fact that the responsibility for assigning tasks has not been accepted. No clearcut responsibility was ever assigned to the office of solicitor general.

The proposed changes in the Department of Justice should be carefully reconsidered before we reach a decision, and before we encounter a situation, as was referred to by an earlier speaker during this debate in which we are in danger of tearing away from the first law officer of the crown, the minister of justice, some of the functions that ought to be performed under his supervision. I hope this will be very carefully considered in the light of the legislation to be placed before us.

Mr. Bell (Carleton): May I ask the hon. gentleman a question?

Mr. Brewin: Certainly.

Mr. Bell (Carleton): I should like to ask him on what he based the premise with which he commenced his remarks, that the ministry of justice is overburdened and overworked. Does he not think that in relation to such portfolios as finance, transport, agriculture and national defence, justice is a relatively leisurely portfolio?

Mr. Brewin: No. I simply pointed out that it has not been a leisurely portfolio because there are very great responsibilities which exist in this field. One need only look at some of our ministers of justice to realize that they have been overburdened. They were responsible for advising on all sorts of legal matters. They were responsible for constitutional issues and for law reform. They were responsible to some extent for correctional institutions, and all sorts of other subjects. One need only remember that the present President of the Privy Council when he was minister of justice, and I know the hon. member was not here at that time, was given the burden of being house leader in addition to other responsibilities. He was clearly overburdened.

Mr. Bell (Carleton): Perhaps he was overworked as a result of added tasks.

Mr. Brewin: So far as taking responsibility for correctional institutions away from the minister of justice and giving them to the solicitor general is concerned, I think this is a sound move. The minister of justice may well be required to accept responsibility in some of the other fields I have mentioned, such as civil rights, in respect of which an adequate job has not been done in the past.

Resolution reported and concurred in.

Mr. Pickersgill (for Mr. Pearson) thereupon moved for leave to introduce Bill No. C-178, respecting the organization of the government of Canada and matters related or incidental thereto.

Mr. Hamilton: Mr. Speaker, can we obtain some assurance from the minister that the bill will be available tonight?

Mr. Pickersgill: There are some copies available and I will endeavour to see that as many as possible are distributed as soon as possible.

Mr. Bell (Carleton): Is there only one bill to be based on this resolution? Surely the government intends to introduce a separate bill for each department?

Mr. Pickersgill: There is only one bill, which has several parts.

Motion agreed to and bill read the first time.

Financial Assistance to Newfoundland

FAIR WAGES AND HOURS OF LABOUR ACT

AMENDMENTS RESPECTING HOURS OF WORK, RATES OF PAY, ETC.

The house resumed from Wednesday, April 6, consideration of the motion of Mr. Nicholson for the second reading of Bill No. C-2, to amend the Fair Wages and Hours of Labour Act.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, when I moved second reading of this bill approximately a month ago I made a very brief statement as to the purposes of the bill. I am afraid that I was a little too brief in omitting to say that the amendments are being proposed in order to carry out a promise made by my predecessor, the Minister of National Health and Welfare (Mr. MacEachen). This promise was made in the name of the government and related to bringing the Fair Wages and Hours of Labour Act into line with the labour standards code.

Since those opening remarks, representations have been made to a number of hon. members in this house, including myself, which would indicate that there has been some misunderstanding or lack of understanding. At the suggestion of members from all sides of the house, I have agreed that in the interests of making sure that everybody does understand the purpose of this bill, following second reading, if it is given tonight, I will immediately ask that it be referred to the Committee on Labour and Employment for clause by clause study.

Mr. Starr: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Labour and Employment.

NEWFOUNDLAND

PROVISION FOR ADDITIONAL FINANCIAL ASSISTANCE UNDER TERM 29

Hon. J. W. Pickersgill (for the Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to give effect to term 29 of the Terms of Union of Newfoundland with Canada and to pay to the province out of the consolidated revenue fund, in the fiscal year commencing on the first day of April, 1967 and in each and every fiscal year thereafter, an annual amount, by way of additional financial assistance as contemplated by term 29, of $8 million.

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

[Mr. Pickersgill.]

Mr. Pickersgill: Mr. Chairman, the purpose of this resolution is to obtain the approval of the house for the introduction of a bill which would have the effect of making the award of the royal commission established under term 29 of the Terms of Union with Newfoundland a separate statute, which would continue indefinitely unless the governments of Newfoundland and Canada mutually agree that there should be a change.

• (9:20 p.m.)

It will be recalled that after the royal commission made its original report, the previous government asked parliament, and parliament agreed, to make provision for the payment of this award first for the period ending March 31, 1962, and subsequently as a part of the legislation respecting tax sharing and other fiscal arrangements with the provinces for the period which will end on March 31, 1967. The position which was taken by those of us who were in opposition at that time was that this was the completion of the Terms of Union bringing about confederation; that it should not be in the same statute as the tax sharing arrangements, which were subject to change from time to time after discussion with the provincial governments, but that it should stand on its own feet as a part of the Terms of Union, and the award of the royal commission should be paid annually until such time as both governments felt that it was no longer required for the purpose set out in term 29 of the Terms of Union.

I could, of course, go into a great deal of detail about this matter if any hon. member wished me to do so; but I have no desire to stir up the controversies of other days. The policy which we are now seeking to translate into legislation was set out by the leader of this party in 1962, 1963 and again in 1965 as one of those things which a Liberal government would propose to parliament and ask parliament to approve. We feel that, in Newfoundland and in the rest of Canada, we have a mandate to do this, and we are seeking at this stage to carry out that mandate and complete the terms of this union with Newfoundland, which I think all hon. members, however much we may differ on other things, would agree has been a harmonious union, beneficial to all Canadians and to Canada itself.

Mr. Lambert: Mr. Chairman, while I might agree entirely with the Minister of Transport, who is a member from Newfoundland, as to

the mutual advantages to both Newfoundland and the other provinces of Canada in the accession to Canada of Newfoundland, I must say that at the present time I must differ from him as to the irrevocable nature of what is one interpretation of the Terms of Union with Canada of Newfoundland.

If we approve the resolution and the bill comes before us for discussion, there can be on that basis no commitment as to the passage of the bill because, to put it quite frankly, the interpretation of this term does not depend entirely upon the view that is put on it by the people from Newfoundland and the government of Newfoundland. In view of the fact that the government of Newfoundland is trying to, shall we say, acquire vested interests in a certain annual grant from the rest of Canada, I am sure everybody will agree that the rest of Canada has also a point of view to express.

I think there is an honest difference of opinion here. I remember the discussions in 1962. They were based, frankly, on the so-called interpretation, if you want, and whether or not it should be irrevocable. There are demands or, shall we say, legitimate needs —because I will not put it on the basis of demands—of the provinces from the government of Canada under a federal constitution, and this will always be so. It has been for years in the past. As long as this country exists under a federal constitution it will always be a condition that there shall be negotiation between the government of Canada and the provinces as to their legitimate fiscal requirements and fiscal provisions.

Surely no one is going to insist that they are absolutely right today. I remember the debates of the past, particularly in 1961 and 1962. At that time the Minister of Transport was a very ardent advocate of the Terms of Union as expressed by the government of the province of Newfoundland.

Mr. Monteith: According to their interpretation.

Mr. Lambert: According to their own interpretation, of course. I think it was quite as legitimate for representatives from other provinces in the parliament of Canada, who had just as legitimate an interest, to put forward their views. As a representative of the province of Alberta, I have just as much a legitimate interest in determining whether term 29 shall be irrevocable; because any provincial premier or provincial treasurer, if he could get a few extra million dollars determined as being irrevocable, would be some sort of a fool, would he not, if he turned down the interpretation that this was irrevocable?

Certainly we would like to see the province of Newfoundland—which I have had the pleasure of visiting—get as much money as they can. But are the remaining provinces and the government of Canada to determine that this shall be, on the basis of the Terms of Union, irrevocable? Shall not there be an interpretation of this question in a hypothetical sense? Is there not just as much justice in determining that Newfoundland in joining the other provinces of Canada is equal, in a fiscal sense, with the rest of the provinces? This is the view of my province. As a member of parliament from another part of Canada I believe that in so far as fiscal relationships are concerned we are all equals, regardless of other considerations. The Minister of Transport may have some comments to make in this regard, but in so far as we in the rest of Canada are concerned, in the matter of fiscal relations we are equals. This is the fundamental question. Should this grant not be considered as part of our fiscal relations one with another, regardless of the economic advantages of our provinces?

• (9:30 p.m.)

My own province is attributed to be one of the wealthy provinces. That is fine; we are prepared to pay our share of the load, and I am sure the province of Ontario is also, as well as the province of Manitoba. But why should there be enshrined in perpetuity an additional advantage? This is a question which is posed by a lot of people.

The people of Newfoundland may have another view, and I do not deny them the right to have this other view. The minister may be smug and say: Well, all right; this guarantees us political support. But I am not too sure about that. In the long run we are dealing here with a union of Canada. We are all in on this on a partnership basis and we would naturally like to see the terms of the bill, which I assume will be fairly short and fairly clear. However, I put these considerations before hon. members here who are from all parts of Canada, not from one part or any other part of Canada.

Mr. MacInnis (Cape Breton South): There is nobody here from Newfoundland.

Mr. Lambert: As I said, I have very grave reservations about incorporating this into an

irrevocable grant on the basis of an interpretation of the agreement of 1949. Albeit the rest of Canada was most grateful to the people of Newfoundland for agreeing to come into Canada, after all this was a decision of their own; it was a mature decision. On the other hand, even though they may have that right of a mature decision, surely to goodness the rest of Canada also has a right to a mature decision. In my province and the rest of Canada, who may have to assume the burden of this grant, there is also the right to discuss and to agree on the basis of the allocation of whatever dollars and cents may be represented in the minds of the people of Newfoundland with regard to term 29.

We are quite prepared to pass this resolution so that we can see the bill, and we will then be prepared to discuss this matter on the basis of the government's proposal. It is not an undertaking from an election campaign which is going to bind the parliament of Canada. It is not binding, whether it is by a man who is seeking the prime ministership of this country or whether it shall be by representations of a minister or a member who comes from that province. It is what this house says and what the other house says, in so far as any of these points are concerned.

I have repeated several times now that this is a determination to be made by representatives of the people of the rest of Canada. If it is their desire that they shall grant unto the province of Newfoundland the amount, fixed in perpetuity—and here I am not trying to second-guess the bill—then that shall be the fiscal price of accession to confederation within Canada. Leaving aside all other considerations, I am sure all other parts of Canada welcome the people of Newfoundland into Canada.

Mr. Pickersgill: I wonder if the hon. gentleman will permit me to ask him one question?

Mr. Lambert: Yes.

Mr. Pickersgill: Was the hon. member speaking for his party?

Mr. Lambert: Well, I am speaking here as—

Mr. Monteith: The minister started to play politics with this bill and he still is. If he would quit playing politics he would get farther.

Mr. Starr: Why does the minister play politics with all of these things? That is the business of the country.

[Mr. Lambert.]

Mr. Lambert: Is the minister speaking for every member of his party?

Mr. Pickersgill: I am speaking for the government.

Mr. Lambert: Are you speaking for every member of your party and the representatives of my province?

Mr. Pickersgill: I do not know.

Mr. Lambert: Mr. Chairman, this is a very illuminating approach by the minister. He has no representatives within my province; he has no representatives within my neighbouring province of Saskatchewan. Are many other provinces to be brushed aside? I point out to the minister that perhaps the reason he has no representatives in these provinces is because they have no mandate within those provinces. If this requires a third repetition, I will say again that notwithstanding the repeated elections, he has no mandate within those provinces, and those provinces are just as much a part of Canada as any other part. This is a factor which seems to be forgotten in too many instances.

I would underline to the minister: Let him come out to those provinces and find out, instead of sitting here in a sort of ivory tower, or listening to the advice from certain provinces as to what Canada should be. This is a partnership.

Mr. Pickersgill: I agree.

Mr. Lambert: All right. A partnership if made up of views which are expressed openly and freely, and are never imposed. I am quite prepared to discuss this with the people concerned, but I will not have them imposed on me. In this connection I believe I express the views of my party.

Mr. Bell (Carleton): Mr. Chairman, the concern which I have in connection with this legislation is why the minister has not sought to have it enshrined in an amendment to the British North America Act. It seems to me that if, as he told us and as some others believe, it is as sacrosanct as he suggests, then it ought to be by way of an amendment to the British North America Act. What basis is there for putting it in a single statute, rather than a statute which has some other legislation in it? Where is the minister improving the situation?

• (9:40 p.m.)

If he really believes, and I think he does, that something should be done, then it seems

to me that what he ought to do and what he ought to be seeking in the house tonight is an opportunity to put it in the British North America Act—to consult the other provinces, and get it into that statute so that the people of Newfoundland would know the word of the people of Canada had been put behind this. He knows that a statute of this kind is subject to amendment at a future date. If it is subject to amendment, he has not achieved the purpose which he has in mind. Why does he not go the full distance? Why does he not do what he ought to do, make it an amendment to the British North America Act and put the word of all the people of all the provinces of Canada behind it?

Mr. Starr: Because he is only playing politics with it.

Mr. Bell (Carleton): Is the minister not going to answer?

The Deputy Chairman: The hon. member for Winnipeg North Centre.

Mr. Knowles: Mr. Chairman, I do not propose to get into an argument over the interpretation of term 29 of the Terms of Union of Newfoundland with Canada. I may say that I have term 29 before me. I have read it once again to refresh my memory. Although a royal commission had to come into the picture, I think there was an element of irrevocability in the wording of term 29 as it was drafted. In case there is any doubt I, for one, would be prepared to give Newfoundland the benefit of that doubt.

I confess nevertheless, Mr. Chairman, that I was concerned, and perhaps I am expressing the same concern that has been just voiced by the hon. member for Carleton, when the Minister of Transport says that the bill to be based on this resolution will contain a section which would make it impossible for that legislation to be amended except by consent of the legislature of Newfoundland.

An hon. Member: Mutual consent.

Mr. Knowles: The consent of Newfoundland and the federal parliament. This takes the legislation out of the category of ordinary statutes. Most of the statutes of the parliament of Canada are the property of the parliament of Canada and can be amended from time to time. I know we have departed from this principle on occasion. We did it in the Canada Pension Plan, but I objected to the special constitutional formula put into the Canada Pension Plan. It seems to me that is what the Minister of Transport says we are going to do on this occasion. We are going to have an ordinary statute of parliament and we are going to say in that statute, this money shall be paid in perpetuity. I am not objecting to that because, as I say, I think there is an element of irrevocability in term 29, no matter how one reads it. The minister says that act, once it has been passed, cannot be altered except by consent of Newfoumdland and Canada.

It seems to me if we do that we will have arrived at one more stage in the development of a formula for amending our constitution. We have a constitution now, parts of which can be amended only by going to Westminster, parts of which can be amended by the parliament of Canada. Then, we did have around here for a year or two what was known as the Fulton-Favreau formula, under which amendments could be achieved in various other ways. Here we will be establishing that with respect to term 29 the basic constitution of Canada can be amended by the consent of one province and the parliament of Canada.

Now, if that is the case, would it not be neater to do something along the lines suggested by the hon. member for Carleton, namely to amend one of our basic constitutional statutes? As I say, I do not want the Minister of Transport or any other Newfoundlander to misinterpret my remarks. I am not quarrelling with the way in which Joey seems to have won his point. I go along with the liberal interpretation of term 29, but I still think there is cause for concern in the statement the minister made that this statute of this parliament of Canada, which we will freely pass, will have in it what amounts to a constitutional provision that it cannot be altered unless there is consent by one province.

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

Mr. Knowles: Certainly.

Mr. Churchill: I was wondering if the hon. member could indicate to the Minister of Transport whether or not he is speaking on behalf of his party?

Mr. Knowles: All the members of my party who are here tonight are saying to me, "Yes, you are".

Mr. Macdonald (Rosedale): Why couldn't the member for Edmonton West say that?

Mr. Starr: Why couldn't the Minister of Transport say that?

Financial Assistance to Newfoundland

Mr. Patterson: Unfortunately we do not have before us at the moment the Terms of Union of Newfoundland with Canada. We are not therefore in a position to make any statement with regard to this particular point that has been raised. However, we are concerned about the nature of this provision which, as has been pointed out, is going to be in perpetuity. This is something that raises a real reservation in our minds. I do not think there is any question but that the provinces of Canada are prepared to share in programs to assist the less favoured areas of this great nation of ours. However, I question very much whether the other provinces of Canada would be prepared to state that forever and a day we are going to be prepared to support a measure to contribute to this particular part of Canada the sum of $8 million, in addition to the other types of grants that are made under our fiscal arrangements.

It seems to me therefore, Mr. Chairman, that unless it is definitely a provision of the Terms of Union that this must be the situation, then I suggest there should be an expiry date established. I do not care what it is, whether it is 10 years or even 20 years. I do not believe it is a very satisfactory arrangement to say that this payment is going to be made forever. I doubt if that will be satisfactory so far as the rest of Canada is concerned.

We will look forward—I suppose this resolution is going to pass—to the bill when it is introduced. It may be short, but we will want to ascertain just exactly what the bill does contain. At the moment, in so far as the resolution is concerned, I would say there are serious reservations about whether or not this is a desirable arrangement.

Mr. Pugh: Mr. Chairman, I feel that the hon. member for Winnipeg North Centre has made a very valid point. He pointed out that this will be a statute of the parliament of Canada. The minister pointed out in his opening remarks that the statute would remain until such time as both governments felt it was not longer necessary. Now, there is no question of a unilateral decision here today. It is for this reason I feel the point raised by the hon. member for Winnipeg North Centre is valid. If we put this measure through in this fashion, all we are doing is multiplying the constitutional difficulties which may arise in the future. I hope that when the minister replies he will attempt to answer this particular point.

[Mr. Starr]

Mr. Pickersgill: Mr. Chairman, I have a great deal of sympathy with the view taken by the hon. member for Carleton. I think perhaps I would be even happier if we did have an amendment to the British North America Act to carry out this purpose. I believe all hon. members will realize that an amendment purporting to be an amendment to the British North America Act passed by the parliament of Canada would be ultra vires because it would go beyond the scope of the amendment to the British North America Act made in 1949 which permitted this parliament to make amendments respecting exclusively federal matters. The only way we could make an amendment to the British North America Act which would be valid in a matter which obviously concerns a province, would be to go to Westminster. As I say, there might be some argument for doing that.

• (9:50 p.m.)

I also think that what the hon. member for Winnipeg North Centre said is quite important to consider, namely that this will be a statute of the parliament of Canada. Under any strict interpretation of the constitution it will be amendable or repealable by the parliament of Canada without the consent of the legislature of Newfoundland, just as the British North America Act is amendable or repealable by the British parliament without the consent of the parliament of Canada, in strict legal theory.

However, it is my opinion as a constitutional historian, that if a future parliament thought we had done something wrong, and was going to disregard utterly the feelings of one part of the country, that this might be perfectly legal according to the present view of the constitution, and the act might be repealed by another parliament.

I do not believe that it ever would be repealed. I do not believe, once parliament has made the declaration that we are going to ask the house to make if this resolution is adopted, and put it into the laws of Canada, that it would ever be changed, This does not, of course, mean to say that this would be in perpetuity. The bill is going to say that it would be the arrangement until the two governments agreed that it was no longer necessary.

I would point out that when I was young—

An hon. Member: When was that?

Mr. Pickersgill: In the 1920's—we had a long agitation in the three prairie provinces where

I grew up, whatever my mandate may now be, to get back our natural resources which, up to that time, had been controlled by parliament. A few people at that time said that we did not have the right to have them back; that we could not get them back because they were vested in Canada as compensation for something or other—it does not matter what.

I think the argument made by the hon. member for Edmonton West about the measure we are proposing now will be regarded in Newfoundland in exactly the same way as in Manitoba, or Saskatchewan, or Alberta an argument would have been regarded that after a five year period their resources could be taken back from Manitoba, Saskatchewan or Alberta.

To reinforce what I say, I think I should put on record the actual term 29 itself. It does seem to me that, if it is on the record, most of us will feel, whatever views we entertained a few years ago, that this really was intended to be part of the Terms of Union, and to be carried out as, I think the hon. member for Winnipeg North Centre very fairly stated, in that spirit. This is the way it reads:

> In view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a province of Canada, the government of Canada will appoint a royal commission within eight years from the date of union to review the financial position of the province of Newfoundland and to recommend the form and scale of additional financial assistance, if any, that may be required by the government of the province of Newfoundland to enable it to continue public services at the levels and standard reached subsequent to the date of union, without resorting to taxation more burdensome, having regard to capacity to pay, than that obtaining generally in the region comprising the maritime provinces of Nova Scotia, New Brunswick, and Prince Edward Island.

What was intended by those who negotiated the Terms of Union on both sides of Cabot strait, was a later determination of the statutory subsidies. It was not meant to be a determination of taxing arrangements or tax-sharing payments. To suggest that, once this royal commission had made a determination, and once the government and parliament had accepted that determination, that the determination could be changed or altered without the consent of that province is, in my opinion, in the opinion of the cabinet and in the opinion expressed by my leader at the time, equivalent to suggesting that the statutory subsidies in the British North America Act provided to Nova Scotia or British Columbia or any other province could be taken away after a period of years. We know that in 1945 there was some suggestion that the statutory subsidy should be englobed in the general payments to the provinces. It was a regrettable suggestion and hastily withdrawn.

Not only Newfoundlanders, but all those who have really studied the matter I think, were entitled to believe—unless the royal commission made an absolutely silly recommendation—that once it had made a recommendation and once the government had accepted it, the payment was to be assimilated, not to taxing arrangements but was similar to the statutory subsidies that are provided for in the Terms of Union with the other provinces. The opening words suggest that—

> —in view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland becoming a province—

That is why there was to be a royal commission. The royal commission at that time recommended that $8 million be paid and that there be no limit upon that payment.

Mr. Monteith: What are the terms in the royal commission recommendation respecting the $8 million?

Mr. Pickersgill: The recommendation was that $8 million should be paid indefinitely. The royal commissioners say:

> Accordingly we recommend additional financial assistance as follows:—
>
> (d) for the fiscal year beginning April 1, 1960, $8,000,000 less the transitional grant of $350,000—
>
> (e) thereafter $8,000,000 per annum.

• (10:00 p.m.)

It is on this basis, and because it is our belief that this was intended to be the equivalent of the constitutional subsidies, that the government is recommending the adoption of this resolution and the first reading of the bill.

Mr. Lambert: May I ask the minister a question? Does he not feel there is some danger that acceptance of the term of recommendation of the commission of $8 million may become, shall we say, enshrined in the terms of confederation and that subsequent parliaments, provided Newfoundland were entitled to an increase in this sum, might regard it as a payment in perpetuity, regardless of the value of the dollar, and that an undesirable degree of inflexibility would be introduced.

This is an argument on the other side. This is one of the difficulties that I find in interpretation—that for all time, regardless of the

good will of the people of Canada with regard to this particular term, it will be $8 million from now until, say, the year 2100, regardless of whether the dollar goes down to a relative value, say, of 10 cents, in which case Newfoundland would, of course, be the loser.

My primary concern is to introduce into this arrangement a sufficient degree of flexibility. With all possible respect to the people of Newfoundland and the minister in advocating this, I fear he is introducing a negative degree of inflexibility, something which the government of the day, a previous administration, was unwilling to recognize. This is what bothers me.

Mr. Pickersgill: I think I can answer that very simply. I would have been happier, of course, had a higher sum been recommended or if escalation had been recommended, but the royal commission did not recommend that. We appointed a competent commission, that is, the St. Laurent government did. The finding in this respect was not happily received. Mr. Smallwood thought the amount was much too small. But this is what the commission said, and this is what the Terms of Union said.

The statutory sums of all the other provinces are stated in dollars. There is no escalation for them. I am asking only justice for Newfoundland; I am not asking a special escalation for their constitutional subsidies which other provinces do not have. It seems to me that beyond this $8 million they should take their chance with tax arrangements, just as all the other provinces do.

This is regarded by every Newfoundlander as part of the constitution. It is part of the constitution—term 29 of the Terms of the Union, which are part of the British North America Act—and it is on this basis we are recommending it in this way.

The Deputy Chairman: Shall the resolution carry?

Mr. Winch: I desire to speak on this resolution and I would call it ten o'clock.

Mr. Pickersgill: Since the resolution and the bill are so very similar, would hon. members consider passing the resolution, which only says it is expedient to introduce a bill and does not commit anyone to the principle of the bill, and have the rest of the debate on the bill itself, so that we would have the bill in front of us?

[Mr. Lambert.]

Mr. Monteith: I think the hon. member for Edmonton West gave a very reasoned statement as far as he was concerned.

Mr. Winch: On a point of order. Before the hon. member rose I said I desired to speak on the resolution and called it ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McIlraith: Tomorrow we will bring forward for the consideration of the house item 5 on today's order paper, second reading of a bill to provide for the establishment of a fund for the economic and social development of special rural development areas. Then, from the budget resolutions, we will take the one relating to tariffs—but only that one. We would then turn to item 47 on today's order paper, second reading of the collective bargaining bill for the public service; and item 51, the resolution dealing with the measure to amend the Public Service Superannuation Act, and the various other superannuation acts.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

EDUCATION—CONDITIONS GOVERNING FREE UNIVERSITY TRAINING

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, on Wednesday last I asked the Minister of National Health and Welfare (Mr. MacEachen) the following question:

> In view of the minister's statement within the last day or so in Halifax that lack of education is the most important of the causes of poverty and that free university education may become necessary, will the minister say how the government proposes to determine the extent of poverty necessary before a policy to make free university education possible can be provided?

My question was rejected by Mr. Speaker as being argumentative. I am sorry, indeed, if this is the case because I know the minister is deeply interested in education. He comes from a part of Canada and a stock of people who have always been deeply interested in education, even to the point of sacrificing practically everything else in order to get it.

I would point out today that this matter of education and of poverty can no longer be solved by individuals on an individual basis, and that it has got to be dealt with by government action. We hear a great deal about the brain drain after university, with our students going down to the United States, but the brain drain after university is as nothing compared with the brain wastage because students cannot get to university in the first place.

I think it is a twofold wastage, Mr. Speaker. It is a wastage for the individual and for our society. For the individual it is a matter of wasted talents. Many young people are condemned to a lifetime of frustration. They are condemned to much less than they could have, than their native ability would make possible with university education. They are condemned to a bread and tea existence instead of a full, modern, all-round diet that would be possible if education could be given to them fully. Wasted talents are the first thing I bring up as a loss for the individual.

There is also the definite matter of much lower income. The Second Annual Review of the Economic Council of Canada points out that those with a university degree have an average income of more than two and a half times that of those with only elementary education, and more than twice the average of those who have only one to three years of high school.

To put it another way, the average male who gets to grade 8 will earn in later life an income of $3,526. If he gets a university degree he will earn $9,188. In addition, the higher the level of education the greater are the earnings differences between younger and older age groups. Those with university degrees get higher earnings all their lives and the higher standards of living that such earnings bring. That is the individual side of it.

In connection with our society, as far back as Adam Smith it was recognized that education is an investment in human capital. This continent realized early in its history that public schooling must be made universal. Now we are realizing slowly that horse-and-buggy education is not good enough for the atomic age. We need to make university education available today on the same free basis as public and high school education.

Those in poverty are simply not getting to university now. The Canadian Union of Students on March 16 of this year gave figures to show that less than one quarter of the Canadian population, 23.3 per cent to be exact, sends nearly one half of all students to Canadian universities. Some 48 per cent of the students contacted gave their fathers' occupations as professional, proprietary or managerial. Families with salaries of over $10,000 provide 25 per cent of all university students, whereas families with salaries of less than $3,000 provide only 9 per cent of all university students.

• (10:10 p.m.)

No wonder that Mr. Robert Rabinovitch, analyst for the Canada Student Means Survey commented that Canadian students by and large are not representative of Canadians generally, but rather bear the characteristics of the middle and upper income classes of Canadian society. Professor Porter, of Carleton University when speaking to a seminar of the Canadian Teachers Federation yesterday made the statement—

> —that only the granting of equality in the education system can make possible equality of opportunity. The key is university attendance, he added.
>
> He flatly rejected statements by some education officials that no qualified student is denied a university education through lack of money. "I just don't believe that," Prof. Porter declared, citing the case of a bright graduate student who was forced to leave Carleton this year. "He was so deeply in debt he just couldn't risk staying any longer."
>
> Government loans to students are not the answer and are in fact a backward step, Prof. Porter asserted. "The federal student loan program is an invitation to a student to get into debt to acquire a university education. It may seem rational to a middle-class mind but it will not be an incentive for low-income families to keep their sons in college."
>
> He said he could not understand why the nation's politicians moved so slowly in expanding educational opportunity. "Maybe it doesn't get votes like medicare or even roads."

I am going to say I think there should be sufficient poverty now. A quarter of the population live in poverty, according to the government's own statistics. That ought to be a high enough percentage for the government to take steps so that the people in the poverty group can get free education if they have the mental ability to do so? Again I ask the minister, what degree of poverty must we have before action is taken?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I do not know whether I am speaking tonight for the Minister of National Health and Welfare, to whom this question was directed in the first instance, but I should like to say by way of a brief response

to what the hon. lady has said that as one of those who had some difficulty in obtaining an education, I sympathize entirely both with the views expressed by my hon. colleague and the hon. lady who has just spoken.

This government has taken some major steps forward to assist students in obtaining university education, both through the payment of youth allowances and through student loans. As I see the problem it is not only a question of providing free university education. It is a much deeper problem than that, as I am sure the hon. lady herself would be the first to recognize. One of the most serious problems standing in the way of ensuring that people receive an education is ensuring that students reach the point where they can enter university.

I should like to say to the hon. lady that I believe it should be the aim of government at all levels to increase the opportunities available to our young people to receive an adequate education, including a university education. I think there is a legitimate difference of view in respect of whether one should begin by providing free university education. These different views are to be found not only among members in this house but also among educational authorities in the provinces.

University education is a provincial responsibility. The federal government can assist to make university education more available only through our help to the universities and through the loans themselves. Perhaps the day will come when free university education will be available, but there are a great many things to be done as well as that. I should like to say that I share the hon. lady's interest in this subject, and that I think that she has made a contribution by bringing it before the house at this time.

[*Translation*]

AGRICULTURE—QUEBEC—FAILURE TO PAY FULL MILK SUBSIDY

Mr. Gérard Laprise (Chapleau): Mr. Speaker, first of all I wish to thank the Minister of Agriculture (Mr. Greene) who was patient enough to wait until now to hear the question I want to discuss tonight.

On May 5 last, I asked the Minister of Agriculture, on the orders of the day, if he was aware that his efforts to raise to $4 per cwt. the price of milk containing 3.5 per cent butterfat, as paid to producers, had failed to give the results he expected.

[Mr. Sharp.]

I raised this question so as to call his attention to the fact that dairy producers will not accept anything less than the price they requested and which was promised by the minister.

It will be recalled that last year, the then minister had promised $3.50 per cwt. for industrial milk. This price was never reached; I warn the minister that we will not accept the same situation this year.

According to reports I have received from two agricultural co-operatives in Abitibi and many dairy producers, the first half of April this year yielded $3.67 per cwt. at most. This is far from the promised price. The farmers need—and the minister knows it—this minimum of $4 per cwt. of milk to meet their obligations.

The government can, even if it is not advisable, make good the deficits by increasing taxes and borrowing, but the farmer cannot do so, and indebtedness has certain limits.

I ask the Minister of Agriculture to increase the present subsidy which is inadequate. Otherwise, the factories will have, to reach the price of $4, to increase the price of butter, casein and other dairy products, and consumers cannot withstand another increase in the cost of living.

The minister must take immediate action in order that the promise he made to Canadian farmers may come true as from April 1 of this year.

Hon. J. J. Greene (Minister of Agriculture): In reply to question asked by the hon. member for Chapleau (Mr. Laprise) concerning the results of the new dairy policy, may I point out that the payments received by the producers from the processing plants during April apply to March deliveries and that such payments were made under last year's support program. Payments on milk delivered later than April 1 under the new support program are just starting to be paid by several processing plants.

May I further point out that the basic price of $3.25 per hundredweight is an average price applicable to milk with 3.5 per cent butterfat content. Should the milk indicate a lower content, the payments will necessarily be less.

I should, however, point out to the hon. member that, as I indicated when I announced the support program of the current milk year, the federal government is not empowered to set the prices paid to the

producers by the processing plants. This question comes under provincial jurisdiction as concerns milk, and I insisted in my statement on the fact that producers associations and marketing boards should do everything in their power to secure a fair price.

When the dairy commission is instituted, it is expected that each province will set up its own milk control, responsible for setting the price of milk. For instance, the Ontario Dairy Board has already set a price of $3.25 per hundredweight which, combined with the federal subsidy of 75 cents, gives the producer a price of $4 per hundredweight of milk.

In the casein producing areas, I am given to understand that low prices on world markets are creating difficulties. The Agricultural Stabilization Board is currently considering this situation in order to remedy the problem.

Motion agreed to and the house adjourned at 10.23 p.m.

HOUSE OF COMMONS

Tuesday, May 10, 1966

The house met at 2.30 p.m.

HOUSE OF COMMONS

RESIGNATION OF CHIEF ELECTORAL OFFICER

Mr. Speaker: I should like to bring to the attention of hon. members a communication I have received from the Chief Electoral Officer:

Ottawa, May 4, 1966.

The Honourable The Speaker of the
House of Commons,
Ottawa, Ontario.

Sir:—

In my report dated January 19, 1966, made to you, pursuant to subsection (3) of section 58 of the Canada Elections Act, I requested to be relieved of the duties of Chief Electoral Officer for the reasons that I gave in that report. For the same reasons, I now find it necessary to resign my office of Chief Electoral Officer.

In order to enable the new Chief Electoral Officer to commence the preparations resulting from the redistribution of electoral districts, which will be required to be made before the next general election, I respectfully suggest that the effective date of my resignation should not be later than the date of publication of the proclamation declaring to be in force the representation order referred to in section 22 of the Electoral Boundaries Readjustment Act.

After that date I propose to carry out the assignment that I am given by section 9 of the Representation Commissioner Act to study and report on methods of registration of electors and absentee voting, and to continue to discharge the other duties assigned by the two Acts in question.

I have the honour to be,
Sir,
Your obedient servant,

N. Castonguay,
Chief Electoral Officer.

• (2:40 p.m.)

[*Translation*]

PRIVILEGE

MR. LAFLAMME—C.B.C. NEWS BROADCAST RESPECTING LIBERAL CAUCUS

Mr. Ovide Laflamme (Québec-Montmorency): Mr. Speaker, on a question of privilege.

On the C.B.C. newscast, Thursday, May 5, at 6.30 and at 11 p.m., commentator Jean-Marc Poliquin in his usual style commented on alleged leaks from the Quebec Liberal caucus concerning the current provincial elections and on the Liberal party prospects in some areas of the province.

To such garbled, imaginary and unfounded comments both as to wording and overall meaning, the sensation-seeking commentator attached my name and that of several colleagues of mine, to give his news the tone of an official newscast on the national network and thus insidiously create the impression that I and some of my colleagues were opposed to the premier of Quebec.

This unfounded, humiliating and prejudicial news item rouses indignation and contempt.

My question of privilege is a personal and collective one for the following reasons:

First, a political party caucus is a strictly private and confidential affair; any infringement of secrecy reflects upon every member of this house.

An hon. Member: You have not been here long.

Mr. Heward Grafftey (Brome-Missisquoi): Because it is not controlled at the federal level as it is at the provincial level.

Mr. Laflamme: Second the national radio or television network and the press do not have the right to allow rumours and hearsay to be commented upon without giving in detail their sources of information.

Third, it is cowardly and unworthy of a public service to broadcast such trash and attribute statements to any members of this house without checking whether they are authentic.

Mr. Speaker: Order, please. The hon. member has indicated in his introduction the basis for his question of privilege, but without hearing any more I must advise him that none exists.

I would suggest that he consult citation 108 of Beauchesne's fourth edition which states:

Libels on members have also been constantly punished: But to constitute a breach of privilege, they must concern the character or conduct of members in that capacity, and the libel must be based on matters arising in the actual transaction of the business of the house.

The matter the hon. member is mentioning obviously does not arise in the actual transaction of the business of the house.

I should also point out a provision of citation 104 paragraph (5) that reads as follows:

(5) As a motion taken at the time for matters of privilege is thereby given precedence over the prearranged program of public business, the Speaker requires to be satisfied, both that there is a *prima facie* case that a breach of privilege has been committed, and also that the matter is being raised at the earliest opportunity.

Since this involves a matter which, according to the hon. member himself, goes back to Thursday last, I do not feel the question of privilege has been raised at the earliest opportunity. For this reason, I cannot find that a question of privilege exists in the circumstances.

[*English*]

BUSINESS OF THE HOUSE

PROPOSED CHANGE IN BUSINESS ANNOUNCED FOR TODAY

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I should like to make a brief statement about the business of the house. Last night when indicating the house business for today I said we would proceed first with item No. 5 on today's order paper, second reading of Bill C-151 providing for the establishment of a fund for the economic and social development of special rural development areas, to be followed by the Customs Tariff resolution. I then indicated two other items, second reading of the collective bargaining bill for the public service and the resolution dealing with a measure to amend the Public Service Superannuation Act and other superannuation acts.

Consequent upon and after discussions with the house leaders of other parties, I should like to indicate a change in the proposed business for the house today. We propose to proceed with the first two items, the special rural development measure and the Customs Tariff resolution, and at the conclusion of those two items, we will ask for unanimous consent to proceed to the consideration of estimates now before the house.

For tomorrow's business we would propose to call the two bills standing in the name of the Minister of Northern Affairs and National Resources, and at the conclusion of those bills proceed to consider estimates that are before the house. Because this is a Tuesday, and under the provisions of standing order 56 we cannot proceed with the consideration of estimates without having a debatable motion and that motion counting as one of the four supply motions allowed each year under our rules, I would therefore ask unanimous consent to move:

That notwithstanding the provisions of standing order 56 or any other order of the house, Mr. Speaker shall leave the chair without question put when the order of the day is called for the house to go into committee of supply later this day; and

That the committee of supply this day then may proceed to the consideration of the estimates of the departments of forestry, labour, industry and post office, but of no other department; and

That the house resolving itself into committee of supply shall not be deemed a supply motion for the purpose of any order limiting the number of supply motions or providing the procedure for supply motions.

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

Mr. Arnold Peters (Timiskaming): No, Mr. Speaker. If hon. members will look at the estimates of the Department of Forestry, which have been mentioned, they will see that they include the ARDA program, which really comes under agriculture. The agriculture committee has had the estimates of the Department of Agriculture referred to it, and I would expect that part of the estimates of the Department of Forestry would be referred to it as well because part of those estimates is concerned with agricultural arrangements.

We cannot be responsible for how the government decides to allocate the business of the various departments, but I think it would be very foolish if this type of arrangement was agreed to. It would take out of the discussion and review of the agricultural estimates a large part of the potential discussion of the ARDA program which is under the Department of Forestry.

I would also suggest that if the estimates of trade and commerce are brought before parliament it will mean there can be no committee discussion on the wheat board or the grain commission, which is also a large part of agriculture. I think this is just another indication that we really have not sat down and decided what we are going to do with estimates. If we are to be fair in dealing with estimates I am opposed to this motion.

Mr. McIlraith: Mr. Speaker, I wonder whether the hon. member would permit a question. He mentioned the estimates of the Department of Trade and Commerce. This motion has nothing to do with the estimates

of the Department of Trade and Commerce. They are before a committee, and this motion has nothing to do with any other estimates that are now before a committee.

Mr. Peters: I agree that this is true. I only raised the problem of the estimates of the Department of Trade and Commerce because I think the steering committee of the agriculture committee have felt that we will have to ask for the estimates of the Department of Forestry to be placed before the agriculture committee in order that they may discuss the ARDA program, which is part of the Department of Forestry. I think we will have to ask the Minister of Trade and Commerce to appear before the agricultural committee, because the responsibility of that minister includes the operation of the grain commissioners and the Canadian Wheat Board.

Mr. Starr: That is finance.

Mr. Peters: Well, perhaps this has now gone to the finance department. Perhaps I have the wrong minister and the wrong department, but the point is that we should really consider this matter in order to make the work of committees effective. If the agriculture committee is to discuss these matters and report back to the house, in order for the discussion to be complete we must have the opportunity in the committee to discuss the whole problem of agriculture. This will mean a discussion of the estimates of departments that are involved in agriculture. Perhaps the minister has not considered this matter, but I feel strongly enough about it that I am not prepared to give unanimous consent.

• (2:50 p.m.)

Mr. Speaker: Since there is not unanimous consent the minister cannot proceed with the motion.

Mr. David Lewis (York South): Mr. Speaker, with respect to the estimate referred to by the hon. member for Timiskaming, could I ask the minister whether he would agree to send that part of the forestry estimates dealing with ARDA to the agriculture committee rather than to have it discussed here?

Mr. McIlraith: Mr. Speaker, the house leaders have agreed that those estimates should be dealt with in committee of the whole. However, I shall be very glad not to ask that they be discussed here. I should remind hon. members that committees have responsibility for work assigned to them by the House of Commons. It is not the responsibility of the House of Commons to deal with such work as the committees wish it to deal with. There seems to be some confusion on this point. In any event, I will consider the point and discuss it with the house leaders of the other parties. I would then ask that my motion carry today without reference to the estimates of the forestry department, and that we proceed with discussion of the labour estimates.

Mr. Reid Scott (Danforth): Mr. Speaker, I want to support what the hon. member for Timiskaming has said.

Mr. Fairweather: Would the pragmatic socialists hold their caucus somewhere else so we can carry on our business?

Mr. Speaker: Order, please.

Mr. Scott (Danforth): If the wiseacre lawyer is finished we can proceed. We seem to have leaders all over the place.

Some hon. Members: Hear, hear.

Mr. Scott (Danforth): This raises a similar problem as far as I am concerned, and I am sure I did not know about this at the beginning. But how stupid can we get?

Mr. Speaker: Order, please. I suggest to hon. members that we should not have a debate on whether there is unanimous consent. I would now ask hon. members whether there is unanimous consent and, if so, the motion will be put.

Mr. Peters: No, Mr. Speaker.

Mr. Speaker: There is not unanimous agreement.

Mr. McIlraith: Mr. Speaker, could I have one point clarified. Is there unanimous agreement that I have permission to delete the reference to the estimates of the Department of Forestry from the proposal put before the house?

Mr. Peters: Mr. Speaker, perhaps I might be allowed to ask a question. I am not objecting to it, but does this not remind the members of the House of Commons that we have agreed to a 30 day limit for discussion of estimates? If we bring in these estimates, which may or may not be the important ones without the business committee having allocated times so there is a fair distribution of the discussion of estimates within the 30 day period, does not this bringing in of estimates

haphazardly without that type of consideration tend to eliminate the proper time which will be allotted for the departments that the members of parliament and the parties agree should be considered more important than others?

Mr. McIlraith: No, Mr. Speaker, it does not create that difficulty. The house leaders have already started to discuss the method of computing the exact numbers of hours in the 30 day period with a view of trying to apportion the time equitably among the different types of supply items which are included in the 30 day limitation period.

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

Mr. Scott (Danforth): There is no consent.

Mr. Speaker: There is not unanimous consent.

Mr. Diefenbaker: Mr. Speaker, do you not think the N.D.P.'s could have their caucus outside the House of Commons?

VETERANS AFFAIRS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Gérald Laniel (Beauharnois-Salaberry) moved:

That the second report of the standing committee on veterans affairs, presented to the house on Friday, May 6, 1966, be concurred in.

Mr. Frank Howard (Skeena): I should like to say just one word. It is obvious that the veterans affairs committee has found a way of dealing with the problem of the lack of a quorum.

Mr. Herridge: I rise on a point of privilege, Mr. Speaker. I wish to inform the house that the standing committee on veterans affairs has the highest attendance record of any committee in this house, as the members arrive within 15 minutes of the time set for the meetings.

Mr. Starr: It is quite obvious now, Mr. Speaker, that the caucus should have been held before the members came to the house.

Motion agreed to.

CRIMINAL CODE

AMENDMENT REQUIRING JUDGE AND JURY TO ATTEND EXECUTIONS

Mr. Milton L. Klein (Cartier) moved for leave to introduce Bill No. C-179, to amend the Criminal Code (attendance at execution).

[Mr. Peters.]

Some hon. Members: Explain.

Mr. Klein: Article 645 of the Criminal Code lists the individuals, such as the sheriff and prison doctor, who shall be present as witnesses to the execution of a person who has been condemned to death on a charge of capital murder. The object of this bill is to add to this list the presiding judge and all the jurors at the trial.

Motion agreed to and bill read the first time.

AMENDMENT PROVIDING ALTERNATIVE PUNISHMENT FOR MURDER

Mr. Milton L. Klein (Cartier) moved for leave to introduce Bill No. C-180, to amend the Criminal Code (punishment for murder).

Some hon. Members: Explain.

Mr. Klein: Under the present provisions of the Criminal Code the death penalty is mandatory in the case of capital murder. The object of this bill is to allow the judge the discretion to impose either the death penalty or the alternative of imprisonment for life.

Motion agreed to and bill read the first time.

FINANCE

POSSIBLE U.S. TAX ON TOURISTS—REQUEST FOR GOVERNMENT ACTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Finance, and ask him whether communications are now taking place between the United States administration and Canada with reference to threatened action on the part of the United States to bring in restrictions against tourists from the United States, thereby adding still further to the $1.5 billion payments deficit.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, so far as I am aware there have been no further developments in this matter since I made my report to the house last week.

Mr. Diefenbaker: In the past week have there been any communications with Washington taking strong objection to this projected action?

Mr. Sharp: The Leader of the Opposition is saying the United States intends to take this action. I know of no such intention.

Mr. Diefenbaker: Then I ask the minister whether there is any foundation for the suggestion made in an article by Knowlton Nash, who is usually very reputable, to the effect that the United States administration is seriously considering restrictions on spending by U.S. tourists.

Mr. Speaker: Order. The Leader of the Opposition knows that he cannot ask a member of the cabinet to comment on the accuracy of press reports.

Mr. Diefenbaker: Then, Mr. Speaker, I simply ask this. Is the minister in a position to say that under no circumstances has he in the last week had any communication with the United States government in this regard?

Mr. Sharp: Mr. Speaker, I thought I had made it quite clear that I have not had any such communications. Suggestions of this kind about further restrictions have been floated from time to time in the United States. We have not been informed officially of any; therefore I cannot accept the premise that the United States government intends to do these things. I cannot read the minds of the members of the United States administration any more than I can read the mind of the right hon. Leader of the Opposition, but I have not had any direct communications of this kind.

Mr. Diefenbaker: May I suggest to the minister that it is not a question of mind reading but a question of a government that does not stand up—

Mr. Speaker: Order.

Mr. Donald MacInnis (Cape Breton South): A supplementary question. The minister referred to suggestions and communications, and I am wondering whether he could explain the difference between the two.

Mr. Sharp: Yes. There are many occasions when reports appear in the newspapers which do not represent the official opinion of the United States government or even the Canadian government. I want to say to my right hon. friend that there have been no official communications about this matter with the Canadian government so far as I am aware. If there had been I can assure him that there would be very strong protests from the Canadian government; but since there have been no communications of this kind I think it would be quite premature for the Canadian government to go out and cry from the housetops before the United States government takes action the Canadian government will protest.

Hon. J. W. Monteith (Perth): A further supplementary question. I would like to ask the Minister of Finance whether there has been any indication by the United States that they will tighten any of the present restrictions or resort to any supplementary measures in this respect. I do not mean in respect to travel funds alone, I am talking of the outflow of funds from the United States.

Mr. Sharp: Mr. Speaker, I have had no approaches from the United States government to consider the effect of any purported United States action, which would be the only basis on which I could answer to the house. The hon. gentlemen can read in the papers, as I can, reports about what the United States government may do. I cannot answer questions about these reports; I can only answer questions put to me as to whether the United States government has communicated with the Canadian government, and it has not.

EXTERNAL AFFAIRS

VIET NAM—EFFORTS TO INITIATE PEACE NEGOTIATIONS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. Could the minister inform the house whether Mr. Chester Ronning and/or anyone else is now in Viet Nam, or has been there within the last week or two, continuing the search for ways of using the international control commission for the purpose of initiating peace negotiations in that unhappy country?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, all I can say is that Mr. Chester Ronning is not in Asia. He was here last week.

[*Translation*]

FIRES

MONTREAL—REQUEST FOR REPORT ON INVESTIGATION

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, in the absence of the Minister of Transport I shall put my question to the Prime Minister.

Inquiries of the Ministry

Has the government set up an inquiry about the recent fires in Montreal harbour and, if so, is the government or the Prime Minister in a position to tell us what progress has been made, if such an inquiry has taken place?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not in a position to deal with that question, but I will make inquiries of the Minister of Transport immediately.

BANK ACT

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Finance. I should like to ask the minister when the house can expect the resolution in regard to revision of the Bank Act.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am hopeful that this will be on the order paper fairly soon. The cabinet is just completing its consideration of the issues raised.

COMMONWEALTH RELATIONS

INQUIRY AS TO CONFERENCE OF PRIME MINISTERS THIS SUMMER

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Prime Minister. Can the Prime Minister tell the members of the house whether any conference of commonwealth prime ministers is presently planned for June or July of this year?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the communique issued at the last commonwealth prime ministers' meeting at Lagos in January stated that if the Rhodesian situation was not cleared up by June or July there would be another meeting of the prime ministers of the commonwealth in July of this year.

BUSINESS OF THE HOUSE

REQUEST FOR COPIES OF BILL GIVEN FIRST READING

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, last night the Minister of Transport promised the house that he would be making available to hon. members copies of Bill C-178, dealing with the reorganization of the government. The house passed the resolution last night but hon. members cannot get copies of the bill. My question to the Prime Minister is, when will these copies be available?

[Mr. Caouette.]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am informed the bill was available in the house last night.

Hon. Michael Starr (Ontario): Mr. Speaker, I rise on a question of privilege which is based on the answer given by the Prime Minister a moment ago to the effect that copies of the bill relating to the reorganization of government departments were available last night. I have just checked; no bills were available, and none are yet available, because they are at the printer's.

Mr. McIlraith: I had one here last night.

Mr. Churchill: Then why didn't we?

Mr. Starr: Again on my question of privilege, Mr. Speaker, the minister seems to have had a bill which is not yet printed, but he has it in some form or other. No one else has a copy of the bill which he says was available. Available to whom?

Mr. McIlraith: It was available in the house at the table.

Mr. Starr: It was not. Again I raise a question of privilege, Mr. Speaker. I have checked with the table and it appears the bill was not available at the table.

Mr. McIlraith: I should just correct the hon. gentleman on the procedure. I do not know the numbers that were available; it may well be that insufficient copies were supplied. When a resolution is passed the usual procedure—though it was deviated from four or five years ago on two or three occasions—is to have limited first printing. I think the number is 25, but I will verify that and find out the exact number. Then when the bill is given first reading, a pro forma reading, the required number for total distribution is made available, and those copies are usually available the next morning.

If this bill on government reorganization necessary steps to find out why it was not distributed I would be very glad to take the necessary steps to find out why it was not distributed in the usual way to all hon. members, but the bill was available last night at the conclusion of the resolution stage.

Mr. Starr: Mr. Speaker, once more I raise a question of privilege on what the government house leader has just said. He still leads us to believe that the bill was available, when it was not. He is trying to tell us about the procedure through which a bill must go for printing, and we all know that. We want to know when the bill will be available to members of the house, and that is all he has to answer.

Mr. McIlraith: If that is the case—

Mr. Speaker: Order, please. Perhaps the Chair can offer some assistance. I will certainly endeavour to intervene, where intervention might help, to ensure that distribution is made without delay.

Mr. Hamilton: Mr. Speaker, on the question of privilege which, in effect, you have ruled upon, I asked last night at the close of the house, as reported at page 4911 of *Hansard*:

> Mr. Speaker, can we obtain some assurance from the minister that the bill will be available tonight?

The Minister of Transport answered in these words:

> There are some copies available and I will endeavour to see that as many as possible are distributed as soon as possible.

I was in the house last night until eleven o'clock and I received no copy of the bill. The first thing I did this morning was to ask for the bill. I was told by the Prime Minister that it was available. However, on asking the ushers, the messenger boys and the people at the table it turns out that no bill is available. I want to re-emphasize what my colleague has said about this question of privilege.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege—

Mr. Speaker: Is this a new question of privilege?

Mr. Caouette: It is the same question of privilege as that raised by the hon. member for Qu'Appelle (Mr. Hamilton).

The hon. member for Qu'Appelle and his colleague for Ontario (Mr. Starr) must both know that the bill concerns government reorganization. They must not be surprised that it was not distributed yesterday. Let them wait and they will have it today or tomorrow.

[*English*]

HOUSING

REQUEST THAT FUNDS BE MADE AVAILABLE THROUGH CORPORATION

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I have a question for the Minister of Labour. In view of the worsening situation regarding the lack of mortgage moneys for home building, and in view of the consequent serious inflationary effects which this is having on the home building industry, will the minister not consider making available more funds for home building purposes through Central Mortgage and Housing Corporation?

Mr. Speaker: Order, please. My understanding is that this question was asked some days ago and replied to by the minister. I do not think there is any new element in the question as outlined by the hon. member.

Mr. Brand: A supplementary question. Mr. Speaker, I must emphasize that there is indeed a new element in this question. Mortgage funds, according to my information, are becoming unobtainable from any source. This is a matter of great urgency, and it is something that should be dealt with now. It was not dealt with one week ago.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Industry, of which I have given him oral notice. In view of the fluctuations of the New York Stock Exchange yesterday owing to several incorrect announcements by General Motors with respect to the operations of their various plants, does the minister consider this a form of retaliation for the successful campaign carried on for safer cars being undertaken by the member for Brome-Missisquoi?

Mr. Speaker: Order, please.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the Minister of Justice.

Did the Minister of Justice say last Sunday, during a political meeting in connection with the Quebec elections, that the splinter parties

did not have a sense of responsibility and that they were unwanted in parliament?

Mr. Speaker: Order. In my opinion, this question is not in order.

Mr. Grégoire: Mr. Speaker, the Minister of Justice made statements which are apparently quite irresponsible.

Mr. Speaker: Order. The hon. member cannot raise this point in the circumstances—

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to put a question to the Prime Minister.

Can he tell the house whether he delegated his Minister of Justice to the public meeting in Sorel last Sunday and whether it is his intention to allow other federal ministers to go and help Mr. Lesage?

[*English*]

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Public Works. When he makes announcements in my riding about public works, will he also give the announcements to the radio station as well as to the newspaper? He might also send a copy to me.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I wish to direct a question to the Minister of Finance. Is the minister optimistic about the success of plans which would prevent the hon. member for Davenport, as requested by the leader of the Liberal party in Manitoba, from carrying his party into a Toronto oriented policy?

Mr. Speaker: Order, please. I cannot accept that question.

Mr. Fairweather: Ten o'clock, Mr. Speaker.

FISHERIES

NORTH PACIFIC—DISPUTE WITH U.S. OVER SALMON

On the orders of the day:

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I regret that I was unable to reply to the question from the hon. member for Red Deer on Friday last, due to my absence from the house. I may say also that I received notice from the hon. member for New Westminster that he intended to ask a question similar to that put by the hon. member for Red Deer.

I agree with hon. gentlemen that the situation arising out of the controversy about salmon net fishing limits in the Noyes island area off Alaska is one which requires the urgent attention of the Canadian government. I should like to assure the hon. gentlemen that the Canadian government has been giving this matter its most serious attention and is taking steps to deal with it as effectively as possible.

Contrary to rumours circulating in recent days to the effect that a proposed meeting to be held in Seattle was to be cancelled, in fact such a meeting is to be held in Seattle between officials of the Canadian and United States governments to renegotiate the location of lines along the coasts of California, Oregon, Washington, British Columbia and Alaska, to the seaward of which net fishing for salmon will be prohibited for Canadian and United States fishermen. The Canadian government is fully aware of the unsatisfactory situation which has prevailed because of the discrepancy in the net fishing limits as applying, on the one hand, to British Columbia along with California, Oregon and Washington, and on the other hand to the state of Alaska, a discrepancy which is not satisfactory from the Canadian standpoint.

I wish to assure this house that the Canadian representatives at the Seattle meeting will do their utmost to work toward arrangements regarding net fishing limits on the west coast which are satisfactory to Canada.

Mr. G. L. Chatterton (Esquimalt-Saanich): May I ask a supplementary question, Mr. Speaker. May I ask the minister whether any representations have been made to the minister by the United States administration with regard to a possible retaliation by way of our exports of fish products, if Canada takes unilateral action?

Mr. Robichaud: No, Mr. Speaker, no such representations by the government of the United States have come to my attention.

AGRICULTURE

QUEBEC—FAILURE TO PAY FULL MILK SUBSIDY

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, last week it was pointed out to the Minister of Agriculture that a few days

after he had announced his new dairy subsidy program, the milk processors upped their transportation charges and the farmers were not benefiting from the new policy. The minister at that time stated that in a few days he would report to the house with respect to contemplated government action in this regard. I would ask the minister if he is now ready to report to the house.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, in the province of Quebec there appear to have been some examples of the situation the hon. member referred to. As to the question of the manufacturer concerned raising transportation charges, this does not come within the ambit of federal authority. There is no federal authority to prevent manufacturing plants from raising transportation costs.

As I indicated when I announced the program, the federal share of the subsidy program enables the manufacturers to pay $3.25 per hundredweight. It is up to the producers to organize themselves to prevent the kind of action they object to, and it is within the provincial ambit of authority to act if they so wish.

Mr. Grafftey: A supplementary question, Mr. Speaker. In future when the government designs a dairy subsidy policy, will it make sure that this policy is fitted to the needs of the individual farmer? I am sure the government wishes to benefit the individual farmer.

Mr. Speaker: Order, please. This question is rhetorical.

Mr. Grafftey: Should this matter not be of benefit to the farmer, to the individual?

Mr. Speaker: Order, please.

[*Translation*]

ADMINISTRATION OF JUSTICE

REQUEST FOR ROYAL COMMISSION TO INVESTIGATE ORGANIZED CRIME

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, my question is directed to the Minister of Justice.

Could he tell the house whether he has received recently a request from the Quebec minister of justice for a nation-wide royal commission on organized crime? If so, will the minister take action on such request?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, personally I have never received any formal request from the Quebec minister of justice regarding a royal commission on organized crime.

Mr. Gilles Grégoire (Lapointe): I have a supplementary question, Mr. Speaker. Can the minister tell us if his contacts with the provincial government at Sorel recently were close enough to receive an informal request?

Mr. Speaker: This question is out of order.

Mr. Caouette: Mr. Speaker—

Mr. Speaker: Order. The question has not been accepted. The hon. member cannot therefore continue to speak on a question ruled out of order.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question does not follow that of the member for Lapointe but rather that of the member for Chapleau.

[*Later:*]

Mr. Caouette: Mr. Speaker, may I direct a question to the Minister of Justice?

A little earlier the minister told the hon. member for Chapleau (Mr. Laprise) that no official request had been received from the province of Quebec to set up an inquiry on organized crime. However, at the time of federal-provincial conferences, and more specifically at the last one between the ministers of justice of Canada, was there not talk of setting up such an inquiry to discover and hunt down organized crime in Canada?

Mr. Speaker: Order. The hon. member is putting forth an argument and asking a question dealing with events which occurred some time ago already. I do not think the question can be put in such a way.

Mr. Caouette: Mr. Speaker, on a point of order. With all due respect—and you know how respectful I am—the Minister of Justice said a little earlier that he had not received any request. Well, I am just asking him if that matter was discussed at the last federal-provincial conference.

Mr. Speaker: Order. The first question was in order and the minister answered it. The second question is not and the minister should not answer it.

Inquiries of the Ministry

[*English*]

BUSINESS OF THE HOUSE

REQUEST FOR REPORTS OF EXTERNAL AFFAIRS COMMITTEE MEETINGS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, in the absence of the Secretary of State may I direct my question, which is for her, to her parliamentary secretary. Would the parliamentary secretary request the printing bureau to produce the reports of the standing committee on external affairs? Other committees seem to have had their reports in prompt order, but our committee has not received its reports. We rely on the report of the previous meeting in order to carry on our next meeting.

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): I will take that question as notice, Mr. Speaker.

NATIONAL DEFENCE

REPORTED SLOWDOWN IN NAVAL PROMOTIONS

On the orders of the day:

Mr. Robert McCleave (Halifax): My question is for the Minister of National Defence, Mr. Speaker. Has a policy or practice now been developed in his department to freeze or slow down promotions in the navy between the levels of commander and captain?

Mr. Speaker: Order, please.

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker. The promotion rates—

Mr. Speaker: Order, please.

Mr. Hellyer: —for the Canadian forces are better this year—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Hellyer:—than in the last five year average.

Mr. Speaker: Order, please.

CANADIAN CENTENNIAL

SELLING PRICE OF SETS OF GOLD COINS

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to ask the Minister of Finance a question to clarify a press release issued from his office, having to do with the issuance of the centennial gold coins. The value of the coins amounts to $21.91, and sets of the coins are to be sold for $40. Can the minister explain in what the $19 difference is going to be absorbed, with relation to this set?

Mr. Speaker: Order, please. I suggest this is not the type of question which should be asked at this time.

[*Translation*]

FINANCE

REDUCTION IN DEPRECIATION ON AUTOMOBILE EQUIPMENT

On the orders of the day:

Mr. Fernand E. Leblanc (Laurier): Mr. Speaker, may I direct a question to the Minister of Justice, or rather to the Minister of Finance?

Does he intend to consider favourably the representations made by the Trucking Association of Quebec Inc. concerning the depreciation on automotive equipment to be reduced from 30 to 20 per cent and the sales tax of 11 per cent on the cost of retreading tires?

Mr. Speaker: That is a question of a general nature which the hon. member might put on the order paper.

[*English*]

CONSULTATIONS RESPECTING DISCLOSURE BY CORPORATIONS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Finance. Is he consulting with the provinces so that the constitutional difficulties involved in working out legislation which would require full financial disclosure by corporations of their financial structure and operating results could be solved, in line with the speech he made last week in Toronto?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, we are starting these consultations in June, beginning with the securities legislation, and I am quite sure we will cover the whole field as we proceed.

HATE LITERATURE

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wish to ask

the Prime Minister whether a decision has finally been arrived at in connection with possible amendments to cover hate literature. Some weeks ago it was indicated that it was only a matter of days away.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the matter is still under consideration as to what action can be taken during this session.

AGRICULTURE

CHEESE—POSSIBLE U.S. RESTRICTIONS ON IMPORTS

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I should like to direct a question to the Minister of Agriculture but in his absence I will direct it to his parliamentary secretary. Is the minister aware of the legislation placed before Congress in Washington regarding the curbing of imports of Canadian cheese, and may I inquire what action the government contemplates, if any, in order to protect the interests of the Canadian cheese industry?

Mr. Speaker: Order, please. I have some doubt that this question is of immediate urgency. If it is, perhaps the hon. member might justify it at this time.

Mr. Danforth: If I may elaborate, Mr. Speaker, an announcement was made in the house a few weeks ago by the Minister of Agriculture that exports of Canadian cheese to the United States had been increasing. Now a bill has been introduced in the U.S. Congress which, if passed, could result in grave circumstances so far as exports of Canadian cheese are concerned. The bill has been introduced and I want to know what action is being taken.

Mr. Speaker: Order. It might have been better had I accepted the question in the first instance.

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture) Mr. Speaker, I should like to tell the hon. member that the minister and the government are carefully watching any legislative measures adopted across the line which may affect us here, and this particular measure is under study at present.

Mr. Eric A. Winkler (Grey-Bruce): As a supplementary question, could the parliamentary secretary say whether the Canadian government is doing anything to protect hog producers against imports of pork?

COAL

INQUIRY AS TO REPORT ON ASSISTANCE PROGRAM

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I wish to direct a question to the Minister of Finance. Is the MacDonald report available yet?

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker.

Mr. MacInnis (Cape Breton South): As a supplementary question, based on the remarks of the minister's predecessor, who last Sunday evening asked that the Prime Minister and other members of his cabinet be a little more specific, could the Minister of Finance indicate when he expects to receive that report, which was due some time in January?

Mr. Sharp: As soon as it is prepared, Mr. Speaker.

Mr. MacInnis (Cape Breton South): As a further supplementary question, how long does it take to dot an "i" and cross a "t"?

INDIAN AFFAIRS

MANITOBA—COURT DECISION RESPECTING HUNTING RIGHTS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources in his capacity as superintendent general of Indian affairs. In view of the report that the Manitoba Court of Appeal has ruled that Indians in the province lost their right to hunt migratory birds out of season with the introduction of the Migratory Birds Convention Act, will the minister assure the house that his department will be prepared to pay the expenses of those so convicted if they desire to take their case to the Supreme Court of Canada?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I wish to take this question as notice.

POWER

REQUEST FOR SUMMARY OF NATIONAL GRID STUDY

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, my question is addressed to the

Minister of Mines and Technical Surveys in what is to be his new capacity as Minister of Energy, Mines and Resources, and it has to do with the National Power Grid. Before the bill is debated on second reading would it be possible for the minister to give the house either a progress report on the study of the Ingledow report or some form of written summary on which we can base our remarks? Second, has there been any consultation between the minister on the one side and Ontario Hydro and the Ontario government on the other side concerning the interconnection between Sudbury, Ontario, and Manitoba?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I am not acquainted with the second part of the question. With regard to the first part, I shall try to inform myself better and see if this matter can be brought within the framework of the discussion on the reorganization of the department.

CANADIAN BROADCASTING CORPORATION

POSSIBLE CONSPIRACY IN PRODUCTION OF PROGRAM "THE PUBLIC EYE"

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the President of the Privy Council in his capacity as the minister who deals with matters coming under the purview of the Combines Investigation Act. Would the minister look into the possibility that a conspiracy may exist between a former member of this house, an officer of the Canadian Labour Congress, and the executive producer of "The Public Eye", a former public relations director of the C.B.R.T., to portray on the program "The Public Eye" tonight a biased and distorted view of a certain trade union in Canada?

Mr. Speaker: Order. The significance of this question is not apparent to the Chair. I assume that the minister, if he understands the purport of the question, will take appropriate action.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in view of the interesting question asked by the hon. member for Skeena, will the minister provide all hon. members with a copy of the script of the program "The Public Eye" which is to be televised at 10.30 this evening? I am sure everybody will find it most interesting.

[Mr. Hamilton.]

INQUIRY AS TO TERMS OF REFERENCE OF MEDIATOR

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, may I direct a question to the Prime Minister. In the light of Mr. Ouimet's statement this morning that it was difficult to see what kind of outcome would result from the present negotiations conducted by Mr. Keate, could the Prime Minister tell us whether terms of reference have been drafted for Mr. Keate's negotiations?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, Mr. Keate is in touch with both sides to the dispute, and has been for some days, within the terms of reference outlined a week ago Sunday when I announced his appointment.

Mr. L. M. Brand (Saskatoon): As a supplementary question, in view of the fact that the Prime Minister said that terms of reference have been given to Mr. Keate, could he supply a copy of them to Mr. Alphonse Ouimet, the president of the C.B.C., who said this morning that none were available?

Mr. Pearson: The terms of reference to which I have referred were included in the statement I gave to the press a week ago Sunday announcing that Mr. Keate was going to try to be helpful in this matter.

HIGHWAY SAFETY

JUSTICE DEPARTMENT REPORT ON GOVERNMENT JURISDICTION

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to direct a question to the Minister of Industry. In view of the widespread interest in the subject of automobile safety, has the minister yet received the report from the Department of Justice dealing with the question of which level of government has jurisdiction to outline safety features for motor vehicles at the production level?

Hon. C. M. Drury (Minister of Industry): Yes, Mr. Speaker.

Mr. Scott (Danforth): I have a supplementary question, Mr. Speaker. Will the minister table the document so that members of the house may see it?

Mr. Drury: Mr. Speaker, as I understand the rules of the house, the tabling of opinions by the law officers of the crown is not the practice.

Mr. Scott (Danforth): May I ask a further supplementary, Mr. Speaker. Would the minister complete his perusal of the document so we might question him on it when he appears before the committee on justice and legal affairs?

Mr. Drury: I will peruse it, Mr. Speaker.

PUBLIC WORKS

LONG BRANCH, ONT.—PLACING OF FILL IN LAKE ONTARIO

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question for the Minister of Public Works. Inasmuch as the little village of Long Branch has decided to follow the lead of New Toronto in respect of the dumping of fill into lake Ontario, which is the senior level of government, the private developers, the village of Long Branch or the Department of Public Works?

Mr. Speaker: Order, please. The hon. member cannot ask the minister for a legal opinion.

Mr. Cowan: I would not welcome it from him anyway.

Some hon. Members: Oh, oh.

Mr. Cowan: Mr. Speaker, in an effort to prove to this house that the filling in of lake Ontario is not a laughing matter, may I ask whether the government is accepting the challenge of the village of Long Branch in defying the order of the engineering branch of the Department of Public Works to stop filling in the lake.

Mr. Speaker: Order, please. This second question is not acceptable because it is argumentative.

FISHERIES

COUNTRIES PERMITTED TO FISH WITHIN 12 MILE LIMIT

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. In view of the fact that he is reported as having said yesterday that Canada now is enforcing the 12 mile limit measured from the sinuosities of the coast against fishing vessels from certain countries, could the minister say how many countries or preferably which countries are still being allowed to fish within such 12 mile limit?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, the only countries which are still allowed to fish within the 12 mile limit are those countries which have entered into a treaty with Canada and those which have established a historic right. Perhaps the hon. member is prompted to ask his question in view of a press report this morning to the effect that the U.S.S.R. and Japan have such a right. The situation is not so.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a supplementary question. Would the minister indicate which countries have been prevented?

Mr. Speaker: Order, please. It seems to me that both questions are out of order. Perhaps I should not have accepted the first question by the hon. member for Queens, because it is the type of question which relates to debate which might take place in the house and is one which normally should be placed on the order paper.

RURAL DEVELOPMENT

PROVISION FOR ECONOMIC AND SOCIAL DEVELOPMENT OF SPECIAL AREAS

Hon. Maurice Sauvé (Minister of Forestry) moved the second reading of Bill No. C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas.

He said: Mr. Speaker, the present bill, No. C-151, will establish a fund for economic development which will add greatly to the scope and flexibility of the ARDA program. Before examining the purposes and administration of this fund in more detail, I think it is desirable to describe the general context of the ARDA program so that hon. members will be able to see why such a fund is necessary and will see how the proposed fund can deal with the gap which now exists in the ARDA program.

Hon. members are familiar with the ARDA legislation which was amended this session. They are equally familiar with the program which has come into effect across Canada since the act was unanimously approved by parliament on June 21, 1961. Before proceeding further I should like to give appropriate recognition to the part played by the minister of agriculture of the day, the hon. member for Qu'Appelle (Mr. Hamilton), because I believe that ARDA is one of the most useful and well conceived pieces of legislation on the Canadian statute books.

Rural Development

During the two and a half year initial pilot period under the first federal-provincial general ARDA agreement, some 735 projects involving alternate uses of land, soil and water conservation, research and community development were put into effect. These involved a federal commitment of approximately $35 million. Since the termination of the first general agreement nearly a year ago, the program has been continued and intensified under the federal-provincial rural development agreement.

There is reason, I believe, for great satisfaction in the way in which the ARDA program has developed. Many hundreds of worth-while projects have unquestionably improved the environment and circumstances of rural people, and many programs by other agencies, both public and private, have been modified in some degree because of ARDA to accommodate more closely to the realities of the modern rural situation. In short, ARDA has accomplished much both directly and indirectly.

However, it is now possible for ARDA to accomplish more. Many, perhaps most of the ARDA projects to date represent an intensification of alternate land use and farm adjustment programs which had been in effect previously. It is understandable that ARDA did not concentrate on more comprehensive projects because both the provinces and the federal government required time to do physical, social and economic research in considerable depth, to develop staff, to plan rural development programs and to establish ARDA within their system of priorities.

Certain facts have become apparent as the ARDA program progressed. First, it became obvious at a fairly early stage of the program that the problem of low incomes in rural Canada could not be solved within the agricultural sector alone. Even if all the low income farms could be enlarged, improved or consolidated, there would still remain a considerable problem of rural low income. Second, it became equally apparent that some rural regions were so hamstrung by poverty, lack of social capital and poor educational opportunity that no ordinary program of resource adjustment and rural manpower development could hope to greatly improve their situation in a reasonable time. It is this latter fact which impelled this government to take the special approaches which are implicit in the bill before the house today.

[Mr. Sauvé.]

• (3:40 p.m.)

Before discussing the more particular problems of the rural areas which are relevant to Bill C-151, I will refresh the memory of the hon. members by repeating certain statistics on poverty which were assembled by ARDA and published in various combinations during the past several years. Mr. Speaker, I have two pages of tables which I should like to have tabled, without reading them, by unanimous consent of the house.

Mr. Speaker: Does the minister simply wish to table these documents or is he requesting that they be printed as part of *Hansard*?

Mr. Sauvé: I should like to have them printed as part of the text of my speech, Mr. Speaker.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Editor's note: The tables referred to above are as follows:*]

Table I—Some Indicators of Rural Poverty in Canada by Province

Province	Percentage of all farm families that have "low incomes"[a]	Percentage of rural non-farm families with annual income below $3,000
	%	%
Newfoundland	32	69
Prince Edward Island	36	58
Nova Scotia	32	53
New Brunswick	33	55
Atlantic Region	33	58
Quebec	29	48
Ontario	16	31
Manitoba	25	48
Saskatchewan	21	48
Alberta	19	39
British Columbia	15	29
Western Region	20	38
Canada	22	43
Absolute total for Canada	families 95,410	families 294,349

[a] A "low income" farm family is one whose farm has a total capital value of less than $25,000, gross sales of agricultural products of less than $2,500 a year and off-farm work by the operator of less than 25 days a year.

Province	Percentage of male rural non-farm wage-earners earning under $2,000 a year	Percentage of rural population of school age or over, but not attending school, whose highest grade attended is Grade 8 or less
	%	%
Newfoundland	53	72
Prince Edward Island	52	58
Nova Scotia	40	58
New Brunswick	48	72
Atlantic Region	45	63
Quebec	40	77
Ontario	24	59
Manitoba	31	64
Saskatchewan	33	61
Alberta	26	57
British Columbia	19	46
Western Region	24	56
Canada	32	64
Absolute total for Canada	men 203,666	people 2,078,591

Mr. Sauvé: These figures were, of course, based on the census of 1961. However, it would be optimistic to assume that the absolute figures have altered substantially for the better. Children in many rural regions still grow up with few opportunities, and the great technological revolution in agriculture and the other primary industries has by no means run its course.

[*Translation*]

I would like to explain, briefly, Mr. Speaker, what those statistics mean when they are taken out of the cold generalities formulated by the statistician.

Those statistics show that, in rural areas, half a million families live in poverty, that is over 2 million Canadians.

I am calling on some remarks included in the report of a study made recently for ARDA by the Canadian Welfare Council. Those statistics show the existence of poverty that is not due to a moral failure but to a lack of possibilities and outlets in rural areas.

One could find that out easily by reading the 200 pages of the report of the Canadian Welfare Council and several members have already done so. That document outlines the life of 300 Canadian families whose members are for the most part honest and very hard-working people. A thousand similar reports could be prepared without giving the full picture of the situation of those unhappy people who fight to survive in our society where affluence prevails in general.

Mr. Caouette: Hear, hear.

Mr. Sauvé: How is it then that those people are reduced to almost total helplessness in a society which is well organized and generally effective?

Mr. Caouette: But badly organized.

Mr. Sauvé: Why are so many people in rural areas living in poverty? I do not think that is because of character deficiencies or lack of personal initiative. It is due rather to the lack of a rational and organized way of dealing with the present potentialities in rural areas.

Mr. Caouette: Especially the pocketbook.

Mr. Sauvé: The federal program called ARDA can and wants to support the provincial efforts aimed at solving problems of that kind throughout Canada. A great deal of progress has already been made.

It would be tragic, however, if Canada acted too late and did too little to really succeed in bringing a higher standard of living to the rural population. Most important human values are concerned. Such values are not only the obvious and negative aspects of human misery.

If we, that is all the other Canadians, walk the other way, feeling that it is not our responsibility to organize our society in order to serve the have-nots among us, our lack of interest will have repercussions on the vitality of our society. If we cannot do it, what can we really expect?

There is another side to the question which we cannot forget. It is true that the country's production and consumption potential shows, at the present time, a heavy decline because hundreds of rural areas are at a standstill, underdeveloped and underproductive. That potential could certainly be evaluated at several billion dollars.

[*English*]

The statistics on rural poverty which have been assembled and published in map form

by ARDA during the past several years indicate that problem of rural low income is general throughout many areas of Canada where the land, climate or marketing conditions are not especially favourable. The normal ARDA program, which includes research, land use adjustment and farm adjustment, rehabilitation and soil and water conservation, is well under way. We can foresee that the basic ARDA program, together with the many related programs pertaining to the manpower, education and the like, can with proper application prove adequate to meet the broad problem of rural low income over a number of years. However, it is obvious from the statistics and from the detailed studies carried out that many rural areas have economic, social and resource use problems of such magnitude that extraordinary measures will be required to solve them.

The fund for rural economic development is one of these extraordinary measures. It is designed as a special weapon to help deal with areas in which rural development requires a coherent and comprehensive approach. Let me describe in detail three examples of such areas in eastern Quebec, northern New Brunswick and the Interlake region of Manitoba.

Beginning with the Interlake area, we find a large area of about 12,000 square miles which is relatively thinly populated by 61,000 people. These are people of various ethnic backgrounds, mainly of northern and eastern Europe but include about 8,000 Indian and Metis. In the main the citizens of the Interlake area carry out mixed farming operations with some ranching and dairy farming. Some are occupied with the major inland fishery that exists on lake Winnipeg and adjacent lakes and others are engaged in producing gravel, gypsum and limestone.

Of the 3,346 farms in the area, only 8 per cent sold more than $5,000 worth of products annually. About one-third of the farms sold between $1,200 and $2,500 worth of products annually and the remaining 40 per cent sold less than $1,200 worth of products annually. These figures relate to the 1961 census.

A further 3,200 of the men of the region are employed as fishermen. During the fishing season of 1961 and 1962 they marketed a little more than $3½ million worth of fish. The average gross income of these men was $689.

• (3:50 p.m.)

From this information, it is easy to see that there is a relatively low average standard of living in this area. During the past several years the Manitoba government has carried out a very broad and comprehensive research program in the Interlake area, with the federal government paying 100 per cent of the cost through ARDA. This research program, which cost approximately $400,000, provided detailed information on the natural resources of the area. Also, a great number of possible projects for development of the region were studied in detail, with a full analysis of the economics of possible development projects and with equal attention to the very important sociological problem of getting local people to participate in programs which might require changes of occupation or moves to other areas.

One might sum up the results of this research program by saying that it has revealed in detail economic and social problems of the Interlake area which are so acute that nothing short of a major, comprehensive program of development, and resource adjustment can hope to provide these 60,000 Canadian citizens with a decent opportunity for productive and satisfying lives. Anything less than this would be unable to bring this region any significant degree of economic vitality and social improvement. It is like some of the modern antibiotics; too small a dose merely cures the symptoms of the disease for a time, after which it emerges more violently than before.

We expect that the government of Manitoba will request participation in the fund for rural economic development to help finance the major program they are planning for development of the Interlake area. We do not yet know the details of their development program, but we expect that it will provide for basic improvements in primary and secondary education, adult education and technical training, further development of the transportation system, resource adjustment programs, resource development programs and measures to stimulate business and industry. I can assure hon. members that such brief statements relative to a regional development program have tremendous implications when they are being translated from words to action. For example, the Manitoba government has already organized seven or eight area development boards in the Interlake area in order to enable local people to participate in the studies and in the planning. Educational groups have been organized to bring adequate knowledge of present and future programs to the people who will be affected by the programs.

At the provincial and federal levels of government co-operation is essential among the numerous agencies which have a role to play in the comprehensive development program, and I am most pleased to note that co-operation among the various government agencies is improving constantly as each agency more clearly perceives its role and the role of other agencies. I may state my conviction that one of ARDA's most significant contributions to rural development has been that ARDA has provided a sort of reference point for the planning of many private and public agencies. This has resulted in a breadth of view and a degree of co-operation which had previously been in some degree lacking.

[*Translation*]

In Quebec, the pilot-area for ARDA development extends east of Rivière-du-Loup along the south shore of the St. Lawrence. It includes the Gaspé Peninsula and the Magdelen Islands. Its 16,000 square mile territory offers limited resources to the 325,000 inhabitants scattered in some 250 communities located mostly along the coast.

The area is far less urbanized that most of the other parts of the country. In 1961, its agricultural population was 83,000 and the non-agricultural rural population numbered 130,000. Approximately 38 per cent of the active population found employment in the lumber industry, agriculture, fishing or mining, that proportion being two and a half times greater than the figure for Quebec as a whole. Only 17 per cent worked in secondary industries, as compared with 28 per cent for the whole province.

The per capita income was lower in the pilot-area than in the rest of the province, namely $700 per annum as compared to $1,206 per annum. Almost a third of all income of any kind came from transfers from the federal or the provincial governments. These payments, totalling $83 million, equalled the total value of goods manufactured in the area. Unemployment often reached up to 35 per cent of the population during six months of the year.

It was obvious that such a situation cannot be tolerated in an affluent society. Accordingly, the Quebec government set up in the area, thanks to considerable financial assistance from the federal government, a research and social stimulation program under the terms of ARDA.

As a result of intensive work over a period of three years, the Quebec government is now able to launch a vast overall program of rural readaptation and development.

These three years of work clearly show that the inhabitants of the region can react most dynamically when the occasion arises. During the winter of 1964-65, 5,000 of them took courses to qualify for grades 7, 8 and 9.

In view of this, it would be intolerable to allow this enormous economic and social waste to continue through a laissez-faire attitude on the part of the government. The fund for rural economic development, which is to be established by Bill No. C-151, now before the house, is the answer of the federal government to this sort of situation. I believe the Quebec government will soon present a detailed plan which will help us to make proper use of the fund in this vast pilot-area suffering from such economic imbalance.

[*English*]

To conclude the examples of regions in which the fund is applicable, I will turn to the ARDA pilot region in New Brunswick. This region, located south of the Bay of Chaleur, comprises 3,350 square miles and in 1961 had a population of 106,000. A little more than three-quarters of the people are Acadians. This region differs from most other parts of Canada in that its rural non-farm population is rising. While the rural non-farm population of Canada as a whole dropped to 19 per cent during the 1950's, the rural non-farm population in this region rose from 46 per cent in 1951 to 61 per cent in 1961. In Canada as a whole, rural farm and rural non-farm people represent 30 per cent of the total population. In this region they represent 70 per cent. The income per family is about one third of the Canadian average. Unemployment varies from 6 per cent in summer to 30 per cent in winter.

• (4:00 p.m.)

The educational situation reflects the economic situation. In 1961, 15 per cent of the labour force of the area had no schooling. In Canada as a whole the figure is 5 per cent. Less than one third of the whole labour force had achieved a grade four education. Less than one third of the young people of 15 to 19 years were in school. One quarter of the teachers of the region have not gone beyond grade nine. I hope that hon. members will consider this last statement carefully. Imagine how an intelligent, eager child must surely and quickly lapse into frustration and

apathy when forced to accept the poor quality of instruction which an uneducated teacher, however well-intentioned, is able to impart. It is like trying to grow plants without water and sunshine. If hon. members saw the television program "Inquiry" a year and a half ago, which made a report on this region, they must have been shocked at the terrible situation of the families living in this area.

[*Translation*]

There is no need to say more. Only by large capital investments, by a new, careful and general land redistribution and by other measures strong enough to change the way of life of each community, can we hope to end the poverty of these Canadians. In this region, as in others I have mentioned, ARDA teams—which are groups of experts in economic and social development—are deciding on plans of action. The special fund provided for by Bill No. C-151 is indispensable for these programs; it will bring an economic impetus which will counter the social and economic stagnation now holding back thousands of our rural people and preventing Canadians from making the contribution they might if they had the opportunity.

It is essential to assert that the government does not want the fund to be used in the form of transfers. The fund will not serve as a disguised social welfare program nor as a program whose sole objective would be to give work to the unemployed. It will not be used to support the economy in areas having unsufficient resources to ever be able to provide a reasonable income to its citizens. The fund will be used to develop promising resources and provide other opportunities for resourceful people. Because it is concentrated on relatively small areas whose needs are great and whose economic potential is adequate, instead of being diluted right across the country, the fund should give impressive results over a few years. By this I mean that we can expect to see these areas work much better socially in about ten years and much more rationally from the economic standpoint.

I must say that in planning the creation and the application of the fund, we have considered similar plans developed in the United States and in Europe and taken advantage of their experience; we have developed our programs after consulting all the provinces of Canada and with their consent.

[Mr. Sauvé.]

[*English*]

Our intention under ARDA is not simply to adopt a welfare approach, which alleviates problems but does not solve them. Rather our practice will be to gather the facts, to evolve a strategy of development. On the basis of a plan for the most rational form of development and adjustment the programs are carried forward in a co-ordinated and planned way. ARDA seeks always to achieve the best possible combination of public investment and participation by the local people. ARDA seeks the most efficient investment for basic improvement of the region's capacity to provide a sound base for the economy. There is no thought of making transfer payments or creating employment by artificial means. Investments are selected and priority is given to projects which will achieve the maximum effect within the human resources and financial resources which are available.

The special fund for rural economic development will be employed to finance development and adjustment programs which cannot be financed by other public programs, whether federal, provincial or joint programs, including the normal ARDA program. The fund will be applied on the basis of joint agreements with the provinces which will set forth the strategy for development of the area and will outline the development program and the arrangements to carry it out. Provinces in the process of developing plans for application of the fund include Nova Scotia, Prince Edward Island, Newfoundland, Alberta and Saskatchewan.

The approach now being considered offers promise of greatly improving the situation in certain low income rural regions of Canada. It is doubtful that any other program approach could succeed within a reasonable time. The fund for rural economic development will be administered by the rural development administration of the Department of Forestry, which also administers the ARDA program. The fund is intended to finance certain rural development projects and programs under comprehensive rural development plans for certain problem areas. The fund will be employed to implement such plans in special rural development areas which are rural areas that warrant a comprehensive, co-ordinated approach to economic and social development because they are subject to widespread low income and have major adjustment problems but have recognized developmental potentials.

The comprehensive rural development plans for these areas under this act will be implemented through agreements with the provinces. These agreements, as authorized by the act, will allow the federal government to undertake directly parts of the approved comprehensive special rural development area program, or to undertake parts of one program while the province undertakes other parts, or to share the costs of projects and programs undertaken by the province.

A proposed comprehensive rural development program will involve the following steps: (a) the undertaking of the necessary studies and research to determine the main development and adjustment problems of the area, and its potential; (b) it requires the involvement of local people through the establishment of rural development committees who will take part in the planning process; (c) it then requires the preparation of comprehensive rural development plans for the area, and (d) the implementation of the projects and programs in the plan to increase income and employment and to raise standards of living for the people of the area.

The joint federal-provincial agreements under the act will set forth a general strategy to develop the area and the programs and projects which will be implemented. They will set down the role of each level of government in implementing the plan.

The kinds of development projects and programs that may be implemented are not restricted. However, those projects and programs which may be carried out by existing federal and provincial agencies will be carried out by them.

• (4:10 p.m.)

It is proposed that in those projects to be carried out by the provinces the federal cost-sharing will vary, depending on the priority allotted to the project or program in the over-all plan.

It is proposed that the projects and programs under the plan will be of the three types:

1. Projects allowed for under the general ARDA program. Moneys from the fund may be employed to increase the federal financial contribution for some of these projects under the comprehensive plans.

2. Other federal and provincial programs which will be financed in the normal on-going way.

3. Major developmental projects under the plan which are specifically required for these areas, and the federal participation in which will be financed entirely from the fund.

The federal government will retain considerable initiative in a number of ways:

1. The federal government will participate in the research and studies.

2. Direct federal programs will be required to implement some parts of the plan.

3. The federal government will jointly participate only in those parts of the program which are believed to be in the national interest, and the priority attached to them will be expressed in the degree of federal participation.

The advisory board provided for under the act has a particularly important function. Since the plan will propose direct participation or direct action by federal agencies, and will propose joint projects which are in the fields of interest of a number of federal agencies and departments, it is essential that the officers of these agencies be actively involved at the senior level. The board will assure that interdepartmental co-ordination is achieved to implement the plans, and that a number of federal departments are actively engaged. It will help assure the required mix and balance and integration of the various programs.

No simple, single unco-ordinated program approach will prove effective. The board will not only assure co-ordination but will assure program input at a senior level in the federal administration. The active participation of the people affected will be promoted at the regional level. The act permits and provides a framework for joint federal-provincial planning and program implementation to tackle directly the difficult problems of these low income rural areas.

The effective co-ordination of the programs of a number of provincial and federal agencies and departments involves rather complex administrative and organizational problems, but we believe that this act provides a program framework within which this can be done effectively.

From what I have said hon. members can see that the fund for rural economic development is an important weapon in our arsenal against rural poverty. It is a tool which provides what has been previously missing, a method of framing comprehensive development plans for the regions of Canada which most need help. This proposal provides a vital means to an urgently necessary end. It is a

proposal that deserves the support of all hon. members of the house.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I think I can speak on behalf of all the members in all parties on this side of the house when I thank the minister for giving us not only the general aims and objectives of this legislation but also for being courteous enough to tell us something about what has been done in detail. I think what the minister has done today could be an example for other ministers in the government. By giving us a statement that has been clear, comprehensive and non-partisan he has provided us with an opportunity to discuss the subject in the manner in which it should be discussed. I do not believe there is any question but that there is no place for partisanship in a discussion of a subject like poverty, whether it be at the rural level or the urban level.

The problem that affects the industrialized nations of the world, where the wealth of those who are doing well increases steadily, is that you have in the midst of this affluence a body of poor in the cities and rural areas who do not seem to be able to take advantage of the updraft in the economy. If they are left too long in this environment they simply begin to think it is a way of life. Then you have a deep sociological problem which cannot be resolved by government action. It is a question of changing the attitude of the people concerned.

Having said these things and realizing, I think, that the minister is emotionally involved with these people, I think the job of the members of the opposition should be to discuss this legislation in principle, conveying the ideas that we believe are worthy of commendation to the house as well as pointing out what might be improvements. First of all, this legislation, when enacted by parliament, creates a fund which is to be administered by the minister and an advisory board and upon which special areas of this country will be able to draw for special projects. This measure will be placed alongside the ARDA program. In my judgment it gives some chance to control the expenditure of money for this particular type of development in special areas.

I think this principle is good. It allows those who have control of the finances of our country to establish more clearly what the criteria of the program are and to assess if the money is being well spent rather than have moneys provided for an overall ARDA program. In order to refresh the memories of hon. members as to the purpose of ARDA, I may say it was set up originally with three purposes in mind. The first was land use. Land use programs really can only be carried out by government. They are strictly a federal or provincial government operation.

The second purpose of ARDA was the conservation of land and water. This is a physical task which, once again, is usually beyond the financial and physical capabilities of the individual farmer. This too will be largely a government operation.

The third purpose of ARDA was rural development. In this regard you muster all the human resources of the area, not only those who are not doing too well but the business and professional people. The government services available bring all these human resources together in a joint effort to try to lift the income level of the area. It is under this section of ARDA that this particular bill applies. Under the bill a fund of $50 million is to be established upon which the minister and his advisory board can call to help in those areas which are designated as special areas.

The minister has described three special areas in Canada. One is the Interlake area of Manitoba. The second is the lower St. Lawrence on the south side, including the Magdalen Islands, while the third area is in northern New Brunswick. In his statement the minister mentioned the C.B.C. program concerning one of these counties in northern New Brunswick. I watched that show and listened to it. I do not believe you can say anything else but that no nation can stand idly by and allow a situation like that to continue. These are essentially sound, moral people, but you could tell from their conversation that their faith in themselves and their hope for the future had almost disappeared. They did not know what to do. This program will enable us to bring them help.

There was another program in the same series dealing with a county near Ottawa. The difference between these two counties was clearcut. I believe the county in New Brunswick was Gloucester. The people of the county in Ontario had not lost faith. They were struggling to stay off relief. They believed in their land and believed that their country would produce a way of life for them. They were ready and willing to take on any challenge they were given. A county like this could be easily made into a pilot project under ARDA because here you have the

human resources ready and willing to take the risks and to work. The people have a reputation for great mental capacity, as the evidence concerning schools shows. They have the reputation for being hard workers. But above all they have the reputation for having a moral fibre unmatched in any other part of the world. When you go through the spectrum from the extreme case at one end to cases at the other end not too difficult to rehabilitate, I suggest that in between there are many cases of need.

• (4:20 p.m.)

I have gone into this background in the hope that the remarks I am now going to make will be considered by the minister in a constructive fashion.

The first point I want to make has already been made to the minister by me in the house and it deals with the question of constitutional responsibility. Under the present constitution agriculture is a joint responsibility. The federal government can do anything it wants under the constitution in relation to agriculture in any province. The provincial government can do anything it wants within its own province. There is complete power for both governments to do anything they want.

However, when you begin to look at the needs of the people in these lower income areas you soon find you cannot redevelop these areas unless you use all of the resources such as the forests, the fish, industry and recreation, and these particular functions are outside the constitutional responsibility of the federal government. For half a century we have had to stand by and watch the relative lowering of incomes in these areas because of the excuse that the federal government had no responsibility in that field. In many cases the provinces felt that they did not have the financial capacity.

The great feature of ARDA, Mr. Speaker, was that we enabled every province without exception to agree that because of the great need of these people we could forget in this particular legislation any thought about the favourite tool of the partisan politician, which is quarrelling over the constitution. In this particular legislation there were no party differences. In this legislation there were no provincial rights or federal or centralized rights advocates. We were Canadians trying to help the people who needed help. If this concept is clearly in the mind of the minister, then I have no fear for the future. I think he grasped the warning I gave him some months ago.

With regard to the activities of ARDA I have noticed that over and over again the minister has repeated that nothing will be done by the federal government unless they receive a recommendation from the province. I stated in the house that this practice was making him the most centralist minister the country had ever known. I did not make this accusation to bother the minister politically. I was simply pointing out that when you are working with the provinces and trying to solve problems which require the use of their sovereign fields of jurisdiction or those of the federal government, then you must have great flexibility.

For example, if the province of Quebec wants to take government action under this legislation—call it socialism if you like—then let them be; that is not our concern. Our task is to get the job done. If the province of Manitoba wants to use the uplifting force of private enterprise to achieve the same objective of raising income, then let them be.

In other words, what I was complaining about at that time was this. I know from long experience in dealing with organizations like Treasury Board, committees of cabinet and committees of civil servants that those bodies all try to put their own imprint on any proposed legislation. If any way can be found to delay a good program until every shoe lace has been tied they will find it, because they are the experts.

The minister will need to take a firm hand in administering the ARDA legislation to see that no group in Ottawa, be they advisory board, committee, Treasury Board or otherwise, breaks the minister's will to make certain that the job is done. That is the first point I want to raise.

My second point is very important and must be raised now. It is becoming very clear to me, as the federal government now moves from the stage where it provides money to carry out planning operations for 2,000 projects across the country, that sometimes the planning involved is purely federal and sometimes a study is jointly supported by both federal and provincial governments. With all these studies pouring into the minister's department the time for action has now come.

This is the significance of this bill. A fund is being created to handle those special areas where it is clearly indicated that something has to be done on a mass, comprehensive

basis rather than on an individual, small locality basis.

What is my proposal? My proposal is that we have to have some type of federally operated agency to carry out the purposes of ARDA, and ARDA includes this special area of rural development. I should like to suggest a name for this agency which we now need and which should be in existence. The minister may change it if he likes, but I would suggest it be called the national land and water services agency. My reason for naming it in that way will become clear as I speak.

In 1934 we set up in Canada an agency under what is known as the Prairie Farm Rehabilitation Act. As one of those who survived the dust storms of the thirties I look back over the period of nearly 30 years and see what has been accomplished by P.F.R.A., mainly in the southern part of the three prairie provinces, and I have to ask myself why this was not also accomplished in all of Canada.

There are good, consitutional reasons why it was not done. However, now that every single government accepts that the ARDA legislation goes beyond the constitution, I would suggest that if the minister would work out in collaboration with P.F.R.A. the machinery which would have to be set up, the type of administration which would have to be applied and the rules applicable thereto, a bill could then be brought into the house to set up such an organization. I have suggested a name for it which represents what I think the government will find it will have to take part in. If you are going to have land use measures put into effect as a joint proposition between the federal government and the provinces, then some agency will be required to carry them out. If you are going to carry out conservation of land and water some sort of agency will be required to administer the program, particularly in these rural development areas.

• (4:30 p.m.)

To increase incomes in these areas you have to do things such as draining the muskeg, building dams or half a dozen other things that come to mind which will increase income. Then you have the job of scrambling around trying to find someone to carry out such a program, someone who can assess the cost for you. You need an advisory board to tell you what it should cost. This is one of the proper functions of P.F.R.A. If the Minister of Agriculture (Mr. Greene) is faced with the proposition of doing something of a physical nature, he needs the P.F.R.A. engineers to provide him with an estimate of the cost. Sometimes this is not done by the federal government. The province may do it but the federal government may have some agency that can advise.

The point I want to leave with the minister is that over and over again the provincial governments do not have the machinery for this sort of thing. Why should a province like Manitoba maintain the expensive machinery of P.F.R.A. to handle redevelopment programs? They are glad to turn that sort of thing over to P.F.R.A., sometimes paying part of the cost themselves. When farmers build dugouts, they have them inspected by officials from P.F.R.A., and that is all. But we should have an agency that checks on government expenditures, developments, land use and conservation.

Sir, I should like to propose here a national land and water services agency which would carry out purely federal operations not only relating to ARDA but to other departments as well. It would carry out co-operative programs between the provinces and the federal government. Obviously it would have to work with all departments and not just with ARDA.

Such an agency could assist those provincial governments which do not want to maintain the necessary large staff with skilled people to carry out operations of the sort I have mentioned. For instance, in the case of a dam it takes years to build a staff to plan and construct the dam. Once the dam is finished, the staff are thrown out of work. But if you had a national agency employing such people they could be moved around. A province would not need to ask for help because such services would be officially provided. Under such an organization any work of this kind could be better and more efficiently undertaken.

Next I want to deal with the question of the advisory board. On reading the bill I was a little disturbed about the advisory board. I will not discuss the bill in detail at this stage but just put my thoughts before the house in a general way.

My first reason for being disturbed is that there is something lacking in the bill. It does not show any indication of awareness on the part of those who drafted the bill that ARDA is subservient to and always must be subservient to the Canadian Council of Resource Ministers. I think I have told the minister

privately, and if I have not told him publicly I do so now, that the ARDA legislation agreement with all ten provinces was more than just a written document. It was the work of two federal ministers sitting in this house at the present time. I refer to the hon. member for Brandon-Souris (Mr. Dinsdale) and myself. We gave our word that ARDA, being a device primarily to raise the income of agricultural areas, would always be under the over-all umbrella of the Canadian Council of Resource Ministers which is, under the very sophisticated reasons behind its establishment, responsible to the two levels of government to see that there is no overlapping of functions between federal and provincial governments as well the minimum possible clash in the proposed use of land, water and air. If I am incorrect in this assessment I know that my colleague from Brandon-Souris will correct me.

I remember the provincial ministers who attended that meeting in the office of the Minister of Northern Affairs and National Resources agreeing that if it was the solemn pledge of the federal government that ARDA was not a way of imposing the federal government's authority in agriculture upon the provincial jurisdiction, they would go along with it. They recognized that there are other types of uses for land besides agricultural uses and that it would not do to work so hard to redevelop agriculture as to affect unfavourably forestry, recreation or wild life interests.

That is an understanding which was not written into the legislation but was to be honoured and passed on from one government to another. I am disturbed about this advisory board. I am disturbed that there is no mention that the viewpoints and decisions of the advisory board and the minister with regard to special areas will be passed on to the Canadian Council of Resource Ministers. Perhaps it is not necessary to put that into the bill but perhaps it is necessary to state it publicly. It is important to reassure the Canadian Council of Resource Ministers that we look on them as the over-all resource body covering fisheries ministeries both federal and provincial forestry ministries both federal and provincial, and all the various ministers. This body must be the umbrella under which we all operate.

The terms of the bill I will not refer to in detail but they can be read in this framework. The bill does not mention the Canadian Council of Resource Ministers. If one reads the bill carefully it seems to suggest that the special areas fund has been put into a secondary position. For instance, if any other agency can do a job the proposed agency in the bill must back away from the job. It seems to have the power to veto decisions of the minister and the board. I am not going to say any more about that. I think I can say what I have to say more precisely when discussing the details in committee.

I conclude, Mr. Speaker, by making some general comments. The minister was good enough to give us a description of what has been happening in the Interlake region of Manitoba, in northern New Brunswick, in the Gaspé and elsewhere. I have only looked at the report dealing with the Interlake area. It was a good report and well worth the money spent on it. However, I am sure the Minister of Forestry has spotted as I did that the potential of forestry for lifting up the incomes of these rural people has been overlooked.

I expressed this view privately to my friends in Manitoba. You always have to watch these prairie governments. They are so concerned about traditional agriculture that it is difficult to get them to look beyond that furrow and realize there is money in trees. This must be done and this is where the task of the minister comes in.

I have not been able to read the other reports. However, at this time I should like to pay a small tribute to Mr. Hutton, the Minister of Agriculture in Manitoba. I served under Mr. Hutton for a number of years. I do not think any minister of agriculture in any province would mind my saying that I have never met a minister more dedicated, more outspoken on behalf of farmers, or who tried harder to get them to raise their incomes by doing new things, than Mr. Hutton. He has decided to leave his high position in public life and go into the pulpit as a minister. I could not let this opportunity pass without paying tribute to a man who has done great work not only for Manitoba farmers but for farmers all across this country.

Another suggestion I wish to make is one that is going to be very difficult to work out. In deciding how much money should go into various operations there is the power under ARDA, and I believe under this legislation, to use the basis of need. I think hon. members understand what I mean. You do not take the number of people living in an area and say that help to them will work out at so many dollars per head. You take their need for

help, into consideration. Whether the money goes to the interlake area or northern New Brunswick is not our concern. I do think that if there were discussions between the various ministers across the country, they would support the concept, if is is left up to them, of allocating the money on the basis of need.

• (4:40 p.m.)

There is a clause in the bill which says that the advisory board must meet at least once a year. I hope that was not put in for any real purpose. If there is a year's delay in waiting for the board to meet and give its commitment to any program that has been worked out, this will hold up arrangements much more than the present set-up. During the next 10, 15 or 20 years the advisory board will have to meet frequently because nothing is so frustrating to local groups who produce an idea and get the approval of the province and the minister's office than to have to wait months for the advisory board to meet. Local people must see action. They are not as patient as civil servants trained to wait for decisions.

These are small points but I wanted to make them. I was very glad to hear the minister say that he will not use this legislation for social welfare or for the relief of unemployment. These are not the purposes of ARDA. These are not the purposes of rural development. Leave relief and work on dams and roads to other local, provincial and federal programs. Do not spoil long-range legislation designed to build permanently the income capacity of areas. If these other things are mixed up in it they will kill the long-range program.

The minister is quite right that this is not a transfer payment type of legislation. This is social capital by way of investment that will be returned in higher incomes and a better standard of living for the people of Canada. If that purpose is maintained then this legislation is good.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, it is not often that we have a debate on a subject as important as ARDA and the complementary program outlined in this bill. The minister's introductory remarks were non-partisan, obviously reflecting the thinking of the farm population and those involved in social service fields. The problem is serious enough to warrant non-partisan consideration and the hon. member for Qu'Appelle (Mr. Hamilton) indicated his agreement with this approach.

[Mr. Hamilton.]

It is always a pleasure for me to listen to the hon. member for Qu'Appelle, a former Conservative minister of agriculture, when he speaks about the ARDA program, because it is one in which his party is really able to take pride as being a completely new approach on a long-term basis to problems of people in all fields connected with the rural areas of our country. The ARDA approach is one that can be supported by people living in the rural environment and those in the urban communities. If the establishment of a manpower department has any vision such as that associated with ARDA, it will create a brighter picture for people in urban centres.

I wish to make several criticisms of the legislation before us. The minister gave no good reason for introducing this regional type of program rather than incorporating it under the ARDA program which already has regional divisions and makes allowance for the development of the type of program outlined today by the minister. It may be that the reason which the minister will eventually give will be that in the regional program the federal government will carry out projects in those areas of Canada where the need is greatest without necessarily having the support of provincial governments. If that were so then there would be some reason for making these two divisions, because in the case of the first there must be co-operation federally and provincially. But if the minister does not give this as the reason, then I feel we are going to have a duplication of staff and an increase in bureaucracy resulting in people tending to say: After you, Alphonse, it is not in my department.

If the minister wants to see an example of this he has only to look at the Department of Industry and its many branches covering regional development in the electrical field, the aircraft field and other industrial fields, each one a bureaucracy unto itself and with the minister not knowing what they are doing. With such diversification the stage is reached when everybody can pass the buck to somebody else without anybody doing anything about it. This is a criticism which is also made by farm organizations and, after all, an amount of $50 million is not so large to incorporate within the ARDA program where administrative machinery already exists.

I am not familiar with all the areas which the minister has selected. I have been in the Interlake area of Manitoba and agree with the comments the minister has made about it. The majority of the people there have a gross

annual return of less than $5,000 from the sale of their produce. More than 40 per cent of them sell less than $1,200 worth of produce annually and they certainly are in dire need.

I believe the south shore of the St. Lawrence is the minister's own area and I presume one reason it is being given immediate attention is his complete knowledge of the people and conditions in that area. The minister mentioned the Magdalen Islands and the Gaspé area where conditions are the same, and that area does need assistance.

• (4:50 p.m.)

Incidentally the minister will have a great deal of difficulty in my opinion in developing a program in much of that area which will provide a solution to the problems of the people there because the problems they face involve the distance of the farms, even if they are economic, from the market and also the ability of the soil to produce diversified farm products. There is also the fact that educational standards in this area, as in many agricultural areas, are far below the national level and certainly much below the requirements which we believe are necessary for agricultural communities if they are to develop and place themselves on a firm base.

This raises the second point, Mr. Speaker, the matter of education. In Canada we find that our rural population is not in a good position to attain a reasonable or decent standard of living. So far as the agricultural population of Canada is concerned, educational standards are far below what is desirable and really needed for agricultural purposes. In my own riding we have a compact agricultural area in the little clay belt and I know that education in this rural area is almost nil. It is true that the children go to urban schools now and receive a fairly good education in a general sense, but not in the sense of equipping them to operate a farm. In order to be economic, a farm today has to be in the production range of $40,000 to $100,000. The type of education required to keep the books for this kind of unit, to make the necessary purchases and do the marketing, is not available.

It is quite true that the agricultural college at Guelph and some of the other agricultural schools throughout the province have provided limited leadership training for some of the farm people, but most of the young farmers have neither the money nor the time to leave home to obtain the type of education they need. I think the minister will have to consider the whole problem of education because it is high time we recognized the fact that it is no longer sufficient just to have a pair of overalls and get up at six o'clock in the morning and go to bed at ten o'clock at night after working all that time in order to be able to make a living. Farmers do that now and do not make a living. There are many people who are working as hard as they can and are giving of their best in an effort to make a success of their farm operation but are not able to do so simply because they have not had the education.

In order to farm well and make a reasonable income a great deal more training is necessary in many fields than has been given. I know this is a fact. When I am at the farm at New Liskeard which my father and brother operate I see my father sitting at his desk drawing pictures of cattle for registration purposes, working out his record of milk production, deciding whether or not he got beaten on the surplus milk price in relation to his quota for fluid milk or deciding how best to take advantage of the income tax structure of the federal government about this time of the year.

An hon. Member: Or reading *Hansard*.

Mr. Peters: I do not think he has time to read *Hansard*. I believe that 25 years ago this type of work was not necessary. Most farmers got along quite well if they had sufficient products to sell so that they were able to pay their debts at the rural store. If they were able to break even, they were all right; if not, they had to do a little better. If they went in the hole, the bank manager told them about it. Today, even with the very large loans provided and the other facilities available, they are in serious trouble.

I think one of the main problems of the farmers is their inability to duplicate what has been done in the field of industrial development in this country through retraining and technical training to qualify people for specific jobs in industry. We have failed to do this in the agricultural field. Innovations are being practised by farmers which, had the proper education been available, they would know had been tried and had been found unsuccessful.

As I have said many times, the ARDA program really represents the future for agriculture in Canada. It also is the future for a number of other aspects of our renewable resources. It can really provide the future for

our forestry industry; it can provide the future for our recreation and tourist industry, and it certainly can provide the basis of a better future for Canadians to come. In all aspects ARDA will be operating in the renewable resource area. Any education now will provide opportunities for Canadians for many generations to come. If we act in a responsible manner the result will be evident for generations. I would not say for all time because it is hard to say what eventually will happen, but certainly in the foreseeable future much can be done.

The minister has indicated three areas in particular which are to be covered immediately under this program. I have no objection to the three areas he has chosen but I am quite sure every member in this house would be able to stand up and name other areas. I should like to know from the minister, however, what preliminary work has been done by the officials of ARDA which warranted the selection of these three areas. In selecting an area to come under this program I would think one would have to be assured that there was a possibility of changing its environment so that it might provide an economic income for the people left in that area.

I was shocked when the Prime Minister (Mr. Pearson) came into my area during the election campaign and made the statement that the Liberals had a program to solve the farm problem which was for the government to buy the farms, develop them and sell them back to the farmers. From watching the operation of the House of Commons I would say, God help the farmers if this should happen. If they are in bad shape now I hate to think what shape they would be in within a very short time if the administration of farms was taken over in this way.

To give an example of how bad the situation is in respect of agriculture, I notice in *Votes and Proceedings* that a meeting of the Agriculture, Forestry and Rural Development Committee is scheduled for this afternoon at 3.30 while the house is sitting. I do not know whether the committee met but they did not have the right to sit at this time because they had not made arrangements to do so. The fact that the introduction of this ARDA legislation today had been known for several days is an indication that really much is to be desired in respect of the operation of the house, but I will not go into that.

[Mr. Peters.]

• (5:00 p.m.)

It does give an indication of what might happen if the government decided on an agricultural policy of buying up all farm land and selling it back to the farmers. This is an idiotic arrangement because all it would mean, if it meant anything, would be that we would have to have a sufficient number of people in the forestry department attached to the ARDA program to operate these units. Surely these people do not intend to get up as early in the morning or go to bed as late at night as the farmers must. It would be doubtful that they could do much better with the facilities available to them than the farmer can now do.

I presume the problem in the interlake area is similar to the problem in the New Brunswick area, although I am not familiar with the situation in the Gaspé or the Magdalen Islands. There must surely be large areas in the county of Gloucester, New Brunswick, as well as in the interlake area of Manitoba where there are small farming uneconomic units. It is doubtful that the farmers will be able to borrow enough money to establish economic units and pay for the extra land and equipment necessary to operate them.

The government through this policy may be able to amalgamate some of the small farming units so that the operators will be in a position to increase their earnings. It is also true that the government may be able to develop the potential of agriculture in some of these areas through reforestation rather than by developing the lands for agricultural purposes. Whatever we do in this regard must be accompanied by direction on the part of the federal government.

In relation to these possibilities the government must keep two factors in mind. There must be a sufficiently broad and comprehensive survey made of all projects to enable the government to be sure that there is a reasonable chance of success. The government must also take into consideration all the ramifications involved in moving rural people from an area which has been occupied by them for generations to urban communities. This transition must be undertaken in such a way that it will cause the least displacement of people in a social sense.

The government must take into consideration another problem which will be raised by the transfer of a segment of our population. Many individuals prefer to remain on farms

or in rural areas even though they are uneconomic and do not provide the normal luxuries of a modern society because they prefer the rural environment. If and when these people are moved from these rural areas to urban centres consideration must be given to the question whether the areas to which they are to be moved can support them with whatever government assistance is to be provided.

I remember a speech made by the then minister of agriculture when the ARDA legislation was introduced in which he referred to the Renfrew area. This area is generally rocky and non-arable. The minister suggested that it should be devoted to a reforestation program with one man working perhaps 15,000 acres until the trees had reached maturity and allowing controlled cutting on a perpetual yearly basis. He suggested that this program would probably require the moving of 15 or 20 small family farm units.

I have often wondered whether these family farm units have any desire to be moved to the outskirts of urban areas where they would be completely at a loss to cope with existing circumstances because they might often find themselves without trades or training enabling them to fit in. In many instances their educational standards would be so low that it would be difficult to train them for new jobs which they would not want and which they had not asked for but which we had decided they should be given.

Would it not be much better to move these people into a small municipality with a post office, a small general store and perhaps a gas station where they would feel more at home? Perhaps under this legislation small factories could be established to provide these displaced farmers with a means to earn a living. I am not suggesting it would be necessary to provide schools and other urban facilities, but perhaps they could be provided with small acreage holdings in order that they could have gardens and live in a semi-rural atmosphere.

If the government does not give consideration to the problems I have mentioned I suggest that many of these farming families will eventually wind up living in the slums of our metropolitan areas. Surely it would be better to provide employment for them in suburban areas where they could breathe freely and feel more at home. As I said, perhaps factories or other small industries could be built under the provisions of the ARDA legislation in order to provide these people with an opportunity to make a living while at the same time enjoying the advantages of a rural environment.

I was raised on a farm myself and I have no desire to live in the city. I have no great desire to become a farmer but I do live in the country and enjoy the rural atmosphere. I think everyone who has moved from a metropolitan area to a suburban area has done so because of a basic desire to get away from the crowded conditions of cities and live in a rural atmosphere.

We must be very careful in this redevelopment that we give consideration to the feelings of the people who are going to be moved. Their co-operation can be obtained more easily and to a greater extent if the suggestion is that they be moved to a semi-rural environment in small communities where work can be obtained rather than to slums in urban areas in which they will feel completely out of touch.

I know that the minister is interested in the transitional problem. The amount now provided is very small. Although my arithmetic is very poor, if there are 50,000 units involved and the amount is $50 million, each family will receive about $1,000.

Mr. Laing: Perhaps you should ask the Social Credit people.

Mr. Peters: Surely that amount of money will not be sufficient to assist these people in the way envisaged.

Mr. Laing: The Social Creditors are better at multiplication than division.

Mr. Peters: I did not intend to cause this kind of a discussion, but I am sure the minister will agree that $50 million is not nearly sufficient to provide a solution to the problems of the three areas in question and the 250,000 people involved. The $50 million will only be enough to start the project. I am sure the minister will have no difficulty in obtaining more money when he comes back to the house because there is genuine support on all sides for this type of program.

• (5:10 p.m.)

In closing I should like to make this last comment. I hope the minister will be a centralist, which was the accusation levelled at him by the hon. member for Qu'Appelle. I hope the minister will keep tight control over the whole program. If there is any justification in this division, it is in the fact that the minister is able to maintain tight control over the program. There is no question that the

other ARDA program became a political football of some of the provincial governments. In Ontario patronage is being practised to a great extent in regard to some of the projects that have been undertaken. I am not saying this is a bad thing, particularly in relation to the cases I know about; I do not think it has really hurt the program although it has been the cause of some political deception.

I hope the minister will keep really strong control over this program and that the provinces will not be allowed to sidetrack him in the development of a program for which the federal government will have to pay. I hope the minister will keep right on top of the program. If he wants advice, assistance and co-operation from the provinces, that is fine, but the program should not be jointly administered. If we are to take over one of these areas, let us take over and make it work. If it is successful we will know we are on the right track in achieving a solution for the Canadian rural problem. In that event we will be able to extend the program into other areas. If the minister operates a co-operative program we will never be sure which is the right method to be used in extending it into other areas because we will not know which program should be operated. Let us give the program a chance. I ask the minister to keep federal control over the program. If he does this I think he will have the support of every member of the house in trying to solve what is an immediate and very serious problem.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, first of all I must congratulate the Minister of Forestry (Mr. Sauvé) for introducing Bill C-151 which, in conjunction with the ARDA program, will help to develop further the areas in need of help. I did not speak very long, approximately three of four minutes at the stage of the resolution because I wanted to keep what I had to say until the bill itself was introduced. It is always more interesting to speak when there is something to refer to than trying to guess what it is all about.

We will try not to keep the discussion going too long in order to vote those amounts as soon as possible. However, they should not be voted too quickly because there is an election campaign going on right now in Quebec and one knows that the province is always ready to make political hay out of such good things. Our province must not be trusted. I would not like to see a recurrence of what happened during my last election campaign, namely ARDA money being used for political purposes.

The minister explained his bill at length and did it well. He started by telling us about poverty in rural areas and ended by saying that something had been done. Some things have been done in the last three years but a lot remains to be done, and the best tool is always money. Those are briefly the general ideas of his speech.

With regard to poverty, Mr. Speaker, if I may talk about my region, and I must do it in order to make it better known to the minister, poverty in my region has increased particularly over the last thirty years. There is no need to make a socio-economic study to discover it. I live in that region and I know it. Between 30 and 35 per cent of the farmers earned a living from farming and approximately 60 per cent of them were part-time farmers and part-time loggers. Those who lived from farming have kept on doing so. Because of higher taxes, but especially the high price of mechanization, those farmers faced with bankruptcy because they have to buy machinery much too costly in proportion to their income, leave after 15 or 20 years. Some family estates were mortgaged, whereas farm lands often valued at $50,000 and $60,000, without any mortgage, were mortgaged to the hilt 15 or 20 years later. This is what we see today. Farmers are still making a living on their farms, but less than 3 per cent of the farms are not mortgaged. That is the first problem to solve.

Farm assistance was not granted in time and that was the first mistake. The governments failed to help those farmers to modernize their farms. All government appropriations went to help other provinces. I am not blaming these other provinces, they were lucky, but we have simply been forgotten. I am not blaming the federal government, far from it, but I do blame my own province which failed to take action at the proper time and which still has not done, and I will prove it later on, what it should have in order to use ARDA.

Those farmers who depended on their farms for a living have received no assistance when they should have, and now they are faced with bankruptcy. The last three years have been particularly bad for the farmers of my riding, because of the weather, the rain-making machine, the artificial rain. For three years in a row the farmers have not even produced enough to feed their own livestock. And, last fall, all dairy cattle herds were

reduced by 50 per cent; half the herds had to be slaughtered. The result is being felt in the whole province of Quebec. In fact, the Minister of Finance (Mr. Sharp) told us we would have to import butter.

• (5:20 p.m.)

That is the reason why. Our area is productive, it is an excellent dairying region, but this year it will not be able to produce. It needs government assistance. Our farmers, with government assistance from both governments, can improve their lot, provided the governments face facts and put an end to playing politics and come to their help before they are forced to kill off their herds. That is the first reason.

There is another one, namely that the farmer does not live off agriculture, when he is half-farmer, and half-lumberjack. I lived through that period, for I am the son of a farmer. We had eight lots and yet we could not live off them. There were 16 children in the family and we could not live off the land. Such is the case with 60 per cent of our present-day farmers, especially since the last great depression. Lumbering was very easy. Father stayed home and four, five or six of his sons went to the lumber camps to get the money needed on the farm to buy tools and animals; the land was farmed a little, for the fun of it, just enough to obtain the required food. We never at that time considered making a living from the produce of the land.

What has happened, especially in the last 25 years? Lumber companies have grown modern, they were forced to do away with roughly two-thirds of their labour. Two-thirds of the lumbermen, two-thirds of these farmers' sons who used to go earn the money needed for their farms were laid off, because of mechanization, because logging was modernized. Some companies—there are four lumber companies in our area—that used to hire from 10,000 to 12,000 men hired 1,500 men this year. All those farmers' sons left the farm. They had to, naturally, because the governments, the members of parliament did not follow the march of progress. They failed to orient these farmers' sons in time. The latter were forced to quit the land; often the family head remained alone with his lots. Too old to farm them; he had to let them go. After eight, nine, ten years, unable to find a buyer, it would have cost too much to rehabilitate the land into production and he had to abandon it for lack of help from the government.

I feel that that is the reason why today people talk about the land having been deserted. It reminds me of the days during the depression where cities were being emptied and people sent to our farms; from that time on our area developed.

They developed those farms and, today, we have exactly the opposite. That same population is leaving to go back to the city. Why? Because when the father no longer gets unemployment insurance, he must get social assistance. He must be a tenant in the city. Note well: he has to be a tenant in the city. Formerly, to obtain social assistance, he had to go to the farm. This year, in order to get social welfare, he must be a tenant in the city because if he stays on the farm, without work, without any possibility of farming it, he will get no assistance. It is impossible for him to get any; he is told: "Go to the city, leave the farm, and then you can get help."

In the province of Quebec, 60 per cent of our farmers are in that position.

For four years now, I have been fighting in this house but I do not yet want to blame the government 100 per cent. We talk, but talk always ricochets. We try to advise the Minister of Forestry, so that when he meets our good agriculture minister in Quebec, he might make him understand what we have been harping on for four years. If the same assistance were given a family going to the city—it is expensive in the city—if the same welfare cheque were given to have it stay on the farm, that family would be much better off, because it would have a garden and keep some cattle, etc.

But no. We are doing the opposite of what was being done during the depression and we are doing the nonsensical thing, with the result that in my home town, 40 per cent of the population is getting welfare. These people come from all the small parishes because they cannot have welfare assistance at home. They give up their farms, give everything up and come to our town to try to survive.

If the amount of money we are voting today were liable to help the farmer who does not want to go into town, but who is forced by circumstances to do so, or to give him assistance that would at least help him start earning a livelihood on his land and, later on, to increase his holdings, we would have the satisfaction of knowing that we have been generous, because the minister is well aware that today, a farmer cannot live on 100 acres of land, he must increase his holdings.

Let us stop driving off a farmer with thirty years of experience and sending him into town to be on relief. Let us start by keeping him there for a few years, let us try to establish him, for the time being. I feel this is the worst we can do today, it is very poor tolerance. I note that the Government does not find it so. It is absolutely necessary that ARDA look to the old farm families to give them the necessary help.

I must admit that something has been done in the last three years, but in my area, particularly in Quebec, I think too much has been done—here again, I am not blaming any one, I am simply making the point to the minister—too much has been done on the study of each problem.

In other words, we have had the satisfaction of studying the percentage of our poverty and of crying over it. Even if more tears were to be shed on our poverty, this would not change anything.

• (5:30 p.m.)

It is all very well to study poverty, but others things are pressing, not only now, but they have been pressing for three years. Under ARDA, moneys have been granted—and I spoke of this before—for blueberry fields. If, at least, these subsidies had been properly organized to protect the family farm, as I was saying, instead of sending the families into town. Up to $95 were given to build blueberries fields on crown lands, uncultivated land where there was nothing at all. Yet, one of the aims of ARDA—the hon. member for Qu'Appelle (Mr. Hamilton) said so a while ago—is the use of cultivated lands. That is one of the aims of ARDA.

Grants were being made and it was under a provincial program; besides, I discussed the matter with the minister. It is obvious that everything cannot be controlled from here, in Ottawa, but I think the minister has a part to play; he can at least give advice. Blueberry unions were formed only with small-time friends of the party as members; they had their share of the grants and paid settlers and farmers $25, $30 or $35 and pocketed the $80.

In fact, I met the Quebec minister concerned and told him that if he could afford to give $70, he should give it to those farmers, in so far as they improved blueberry patches.

If this had been done, perhaps they could have saved 25 or 30 per cent of the land of those farmers who now live in the city on social welfare.

They boast that unemployment no longer exists. The minister has just said: "We have 33 per cent unemployment." For our part, we have 30 to 40 per cent who live on social welfare in our region. And the provincial minister tours the province boasting: "There is no more unemployment."

I tell you that those words are not quite plain. I refer to the Quebec minister when he says that there is no more unemployment.

Mr. Lachance: The good Quebec minister.

Mr. Gauthier: I do not want to talk too much about him. However, the facts are there.

But ARDA money must absolutely help the farmer. Let us stop making studies, let us stop pouring everything into study groups.

I read also in the bill that an advisory board consisting of ten senior officials would be appointed. I am filled with apprehension when I see such a board consisting of ten senior officials but not one single member of the area, not one single member of the UCC Catholic Farmers' Union. It is interesting to have officials; there should be five officials and five members of the area, five members from the Catholic Farmers' Union, of the parish council that is where information should be sought. If you want to be useful, you must seek information. If you want to know the actual situation in an area, you will achieve nothing with ten men, ten bureaucrats from Ottawa; these officials know nothing of the Roberval area.

For instance, appoint in your advisory board, members of the Catholic Farmers' Union, members of the Council for Economic Orientation and of the council of Saguenay-Lac-Saint-Jean. Even the member of parliament will be able to give you good information. We are elected by the people, as you are. Why leave us aside? We are elected to work for the people. Do you think it is because we are in the opposition that we will allow anything to be done without saying a word? On the contrary. We are here to protect the interests of the people and you can be sure that we will protect them.

Now we are told that there is much to be done. There remains a great deal to do—and I want to close on this thought—to save the family farm.

I hope the minister is not in favour of the principle of the community farms, because I would not agree at all.

He has succeeded in trying out this system of community farms, but we are now coming back to family farms. A direction must be given to save the family farm; the family lot

must be enlarged. This is essential, because the basic principle of agriculture in the province of Quebec is the family farm.

I heard a good minister, in Quebec if you please, 100 per cent socialist, Mr. René Levesque, say that the state had to take control of everything and that it was the end of private enterprise.

I am completely against that. I submit it is private enterprise that built up the country and that will develop it; it is through it that we will prosper. As long as we have socialist ideas, we will have the same headaches as today and I think the province of Quebec will not be rid of them soon, administrated as it is by all those socialists.

Mr. Speaker, I am confident that the tool mentioned by the minister, that is, the $50 million we will vote, will really help economic development. The objective of ARDA, when established, was first the use of farmlands, then draining and water preservation, and then rural development. This bill concerns particularly the third objective of ARDA, but the second and especially the first, which is the use of farmlands, should not be forgotten. The point is not to develop crown lands in the wilderness.

The point is to save the 45 per cent of unused land. Today, someone spoke, of buying back uneconomic land. I think the idea is wonderful, but it would have to be put into practice, for I do not know, at least in my region, whether a farmer was paid for his land. I myself asked the provincial agronomist that redistribution of land be arranged, for example in the case of someone who would be willing to sell his lot to increase that of his neighbour by giving him some 300 or 400 acres. But I do not know whether it is ARDA which is at fault or whether the scheme was born out of other circumstances. The idea was to help the farmer, and particularly the farmer's son, to acquire land. There are farmers' sons who are only waiting for that today.

Obviously, a father with eight or ten children cannot buy them three lots each.

The government must help him, not by a loan but by material assistance. I do not say it must give him everything. Let the farmer keep certain obligations but let the government help him halfway, so that he can begin to operate his farm economically.

Convinced as they are, people in our district can see these ills nowadays; they can lay their finger on it. They know they must go back to the land, that things must change. And this change will not take place without the farmer, first and foremost, and the help of the government. It will not come about by the government fighting the farmer. It will occur when the farmer takes the first step, with the help of the federal government and the provinces, toward complete possession of a farm that will be forever his.

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I do not intend to make lengthy remarks on this proposal. No doubt as we enter into a discussion of the various clauses there will be comments and questions which will arise. At this time I do want to state the support of the Social Credit party for the particular measure before us now. I regret very much that I was not privileged to be in the house when the minister made his introductory address. As all of us know, many of us are supposed to be in two or three places at the same time, and because of that factor I was unable to remain in the house. I understand that the minister made a very comprehensive statement about the background and possibilities of the ARDA program in relation to rural development, and I know that as this program is carried through it will have increasingly beneficial results with regard to the economy of our country. Since the inception of the ARDA program a number of significant changes in its application have been made. In the main I believe the broadening of the application of the act has had beneficial results in many areas of the country.

• (5:40 p.m.)

The Minister of Forestry (Mr. Sauvé) was reported to have said recently that there is no limit to what can be carried out under the present terms of the act. This statement was made in my own constituency a little over a week ago when the minister met with representatives of the various municipalities who were concerned about some areas of development required in the locality. I hope the minister enjoyed his visit to my constituency. I am sure he found those who gathered there were men of vision and competence, men desirous of doing the very best they could for the further development and progress of that section of the beautiful Fraser Valley.

In introducing the resolution on March 8 on behalf of the Minister of Forestry the Minister of Fisheries (Mr. Robichaud) referred to the problems of low rural income,

poverty and underdevelopment. As reported at page 2882 of *Hansard* he stated:

> As the ARDA program has evolved, it has become evident that special comprehensive and coordinated development programs for these areas are required if living standards for the people in these areas are to be greatly improved in a reasonable length of time.

From looking at the bill it is apparent it is designed to work out programs not solely on an individual farm basis but encompassing a larger area. This is very commendable, but I should like to say at the outset that the appropriation of only $50 million would appear to be a very small amount in view of the task it is hoped will be accomplished. I hope this is not an indication of the rather limited use which some people may think is contemplated under this legislation. However, Mr. Speaker, being mindful of the vision the Minister of Forestry has for his department, coupled with the need for such a development program, I believe we can look forward with anticipation to the work which will be accomplished under the terms of this legislation.

We are given to understand that a great deal will be involved in the development of this program. Areas are to be selected and this will be a very important part of the entire program.

Reference was made by a former speaker to the fact that the advisory council will apparently be made up of ten officials from departments of the federal government. I do not think that this will be conducive to the best application of the entire program because it appears to me that to a large extent the success of the program and its effective development and over-all application will be dependent upon the views and knowledge of the local inhabitants in these areas and the attention they give to it. I refer to those who know their area, who live there and work there, who are cognizant of the various problems that are faced. So I suggest that the selection of these areas should not be entirely based on the views of the advisory board but should also take into consideration the views of those who are closer to the projects contemplated.

It appears that this bill encompasses physical, social and economic surveys of the areas affected. I believe this was the reason the Minister of Forestry met with officials in my own constituency, to discuss the possibility of an overall survey of the needs of a given area. I believe it is a good thing that the government is prepared not only to give assistance in the actual execution of plans but is also willing to take part in the burden of making surveys.

We also find that the entire program is dependent upon the co-operation of provincial authorities. I presume it will be possible, as has been the case in the past, for the provincial authorities to recommend particular programs for consideration.

Therefore, Mr. Speaker, without going into detail on any of the particular aspects involved but considering the overall picture, the need for such a program and the possibilities envisaged by the minister so far as his department is concerned, I believe the entire program to be a very commendable one. Even though in the past there have been limitations and perhaps frustrations and certain obstacles placed in the way, considering the overall picture I believe that this program will have a tremendous effect and bearing upon the development of these areas and the raising of standards of living, with a consequent contribution toward a better environment for people to carry out their responsibilities and occupations. Therefore, as I have said, so far as we in this party are concerned we are going to give this measure our support.

• (5:50 p.m.)

[*Translation*]

Mr. Jean-Paul Matte (Champlain): Mr. Speaker, the present government has included the war on poverty in its program. I am convinced that this program is most commendable. His Eminence Cardinal Léger has advocated concrete action and we agree with him.

Bill C-151 introduced by the Minister of Forestry (Mr. Sauvé) is certainly in that category, since it aims at furthering the development of the rural areas where greater poverty prevails. In conjunction with the provinces and through this legislation, we seek to reach mainly the areas where salaries are also low because of economic and social rehabilitation programs and which, in the council's opinion, based on information submitted by the province about the physical, economic and social situation of the area, offer reasonable possibilities of economic and social development.

It is meant to push ARDA further still and to make it more effective and more concrete. I understand there are regions where poverty is more prevalent and they are the ones which must be helped first. However, Mr.

Speaker, in every region which seems prosperous, there are pockets of poverty or individuals who are no better off than the economically weak regions.

That is why there should exist in each rural county an ARDA council. I would see it linked to the county council or to the C.F.U. Thus, it would be possible to analyse the situation in order to prepare assistance programs which would be submitted to the central committee in each province.

Very often, people talk about ARDA but do not know where to go. Then, every citizen, every parish could get in touch with the office in the county which could analyse the projects and submit them after approval to the central committee in each province.

Of course, in some pilot areas, very exhaustive studies were made and gave results but they will give more with that new legislation. But until it is possible to analyse the situation in all the counties, I think that temporary ARDA committees in each area could help considerably numerous individuals while helping farming at the same time. And I think of my own parish, about cleaning up of the Envies river, developing the tourist industry and countless other projects.

There are in my riding and in my region some unusually attractive spots for tourists. I would even say that there are none other like them in Canada but they cannot be developed without help. I would like to talk about the northern part of my riding between St. Jacques des Piles, La Tuque, Lac-Édouard and the new road from La Tuque to Lac-Bouchette. The development of that area would help enormously to increase the standard of living. I am convinced that the tourist board of the St. Maurice region and the mayors' conference are waiting for help from the governments to make exhaustive studies on tourist possibilities and realizations.

Mr. Speaker, I am confident that an even more promising future is in store for the region because of ARDA and that is why Bill C-151 deserves our full approval. I therefore extend my most sincere congratulations to the Minister of Forestry and Rural Development.

[*English*]

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I too would like to compliment the minister on his presentation and the background material he provided. Certainly, sir, I cannot resist the opportunity of pointing out to the minister that it is unique for a minister of the government to take the time to analyse exactly where he is in order for him to be able to portray with wisdom where he will go in the future.

Many of those engaged in the profession of agriculture will look upon this measure with some degree of scepticism. Too often in the past the members of this great profession have seen measures designed sincerely to help the industry become, after a glorious presentation in the house, nothing but first class coloured illustrations on campaign literature. The results for farmers have proved to be of very little value.

Listening to the minister's dissertation this afternoon, I am convinced that he is sincere in his desire to bring about a measure of relief to the areas that he so eloquently described. I am sure that all of us who have had an opportunity to read some of the reports referred to can understand to what degree Canadian citizens have been subjugated financially. I think we are beginning to see on all sides of the house why it is so necessary to take the necessary steps at the federal level in order to bring about the relief that must be brought to these areas.

I am concerned that we are speaking of setting up committees in respect of the administration of this bill. Too often in the past we have seen large sums of money designated for specific means to aid the citizens of Canada, but for every dollar designated for that specific purpose it seems that just a few cents have reached the people most concerned.

We have also set up ever more bureaux. We have an overlapping of authority and the passing of responsibility from department to department and from bureau to bureau, as was so ably pointed out by one of the preceding speakers. When we consider how frustrating it is for a member of parliament in pursuit of a principle to go from department to department trying to obtain some definite ruling on a question, how much more frustrating must it be for those in agriculture to have to wait for measures that will make their lot an easier one under the conditions we have today? May I call it six o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: Order please. It is my duty, pursuant to provisional standing order

39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Kootenay West (Mr. Herridge), Agriculture—request for protection on grade standards; the hon. member for Laurier (Mr. Leblanc), Finance —depreciation reduction—automobile equipment.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills and public bills.

PRIVATE BILLS

UNITED GRAIN GROWERS LIMITED

Hon. Douglas Harkness (Calgary North) moved the second reading of Bill No. S-5, respecting United Grain Growers Limited.

• (6:00 p.m.)

He said: Mr. Speaker, this bill refers to a company, the name of which is familiar to all members from western Canada and quite probably to most other members of the House of Commons. Its country elevators, 750 in all, are to be found in every part of the prairie provinces at some 600 different points. It is the oldest of the farmer-owned business institutions now operating in the prairie provinces. Organized in 1906 and with a record of continuous progress during 60 years, it is this year celebrating its diamond jubilee.

The primary business of United Grain Growers Limited is handling grain and during its history it has received from customers some 2½ billion bushels. Annual receipts now amount to 100 million bushels or more. Inventories of grain in its country elevators amounted on July 31 last to some $54 million.

It owns and operates a terminal elevator at Port Arthur with a capacity of 6.5 million bushels, and at Vancouver operates under lease another terminal elevator with a capacity of 3.6 million bushels. It has some ancillary businesses, distributing annually several million dollars worth of fertilizer as well as other supplies needed by farmers. Through a subsidiary company it publishes a well known national monthly farm magazine, *Country Guide*. The Company has 54,000 shareholders, the great majority of whom are active farmers in the prairie provinces.

The company was originally incorporated in 1906 under the Companies Act of Manitoba with the name, "The Grain Growers Grain Company." By 1911 it had expanded to such an extent as to need a federal charter, which it obtained under an act of parliament in that year when its authorized capital was increased to $2 million from the former $1 million level. Amending acts were passed in 1915, 1916 and 1917 to enable amalgamation to be carried out with another farmer-owned company under the name United Grain Growers Limited and with an increase in authorized capital to $5 million. Another amendment in 1941 enabled it to carry out reorganization of its capital stock structure, and one in 1950 increased its authorized capital to $7.5 million.

Under these enactments the company has been empowered to set up an organization differing in important respects from many other incorporated bodies. Voting rights are confined to the holders of membership shares which may be issued or transferred only to farmer customers of the company. Each such holder is entitled to one vote and one vote only. Because of their large number, member shareholders are organized into 314 locals, each of which elects a delegate to annual or special meetings of the company and proxy voting is not allowed. The company is empowered to issue out of its earnings, patronage dividends to customers after dividends on capital stock have been provided and reserves have been set aside.

United Grain Growers is and has been a very large taxpayer, as indicated by the substantial provision for taxes on income included in annual financial statements. The amounts paid in patronage dividends are deductible in calculating taxable income to the extent provided in the Income Tax Act for all companies making such payments. Its dividends on capital stock, like those of all companies, come out of income on which tax has been paid. I mention these facts because in the other place a question was raised as to what the tax position of this company is or was.

Prior to 1941 United Grain Growers had only one class of share with a par value of $25, which could be issued or transferred only to farmers. That limitation created difficulties for those who might find it necessary to dispose of shares when qualified purchasers had little money for investment. It was desired to correct this situation but at the same time to ensure continued control of the company by its customers. Consequently, a division of shares was effected into two classes.

Each former share was divided into one $5 membership share and one $20 five per cent

preferred share. The former may be issued or transferred only to farmer customers. The latter may be held by anyone, but not more than 2,500 by one person. The plan worked satisfactorily. The market for shares was broadened with no change in the effective contol of the company. New shares were issued without difficulty when there was occasion to do so. Originally all the preferred shares were held by voting members. It is still the case that the majority are so held; in fact, the figure 53 per cent according to information furnished by the company.

The company has been headed from its inception by men recognized as leaders in western agricultural organizations and who have played their part in the country's public life. Hon. T. A. Crerar, at present the oldest member of the other place and the only person left in these precincts who was in the cabinet of Sir Robert Borden in 1917 and also in the cabinet of Mackenzie King from 1935 to 1945, was president of the company for nearly 25 years during its formative period until be retired in 1930 to give full time to his political duties.

He was succeeded by the late R. S. Law who served for 18 years, and then in 1948 by Hon. J. E. Brownlee whose death took place in 1961. I may say that during the nearly three and a half years I was minister of agriculture Mr. Brownlee gave me the best and most practical advice of any of the farm leaders from western Canada. Mr. A. M. Runciman, president now for five years, has become well known in Ottawa through frequent appearances before members of parliament and the government on behalf of western farmers.

The company has requested this amendment to its parliamentary charter because it wishes to provide a broader financial base for its operation by an increase in paid up capital. In presenting this proposal to the annual meeting last November the directors expressed confidence that members and customers would readily subscribe to a new issue of shares whenever such an issue becomes available. That, however, is contingent upon removing an existing limitation on the rate of dividends which may be paid on Class A preferred shares.

When the two classes of shares were established 25 years ago in 1941 it was during wartime and after a long depression when interest rates generally were low. It seems to have been assumed that 5 per cent would continue to be regarded as a good rate of return on an investment and that the company, by passing such a rate of dividend, would be able to attract investors to its shares. At all events Class A preferred shares, with a par value of $20, were established in such a way as to preclude the company from paying a higher rate in years of good earnings.

To correct that situation it is now necessary to obtain such amendment to the company's parliamentary charter as is provided in this bill. When enacted this will empower the company in a year when earnings are sufficient to declare an extra dividend on Class A shares of a half per cent or multiples thereof, not to exceed a total of 1½ per cent, that is, to a maximum rate of 6½ per cent, subject to a concurrent provision for an equal rate of dividend upon the company's Class B membership shares. At the same time it is proposed to increase the authorized capital of the company from the present level of $7.5 million to $12 million.

Twenty-five years ago it could not have been foreseen that interest rates would rise to levels such as now prevail or that bonds of the government of Canada and of various provinces would be issued at rates substantially above 5 per cent. Nor could it have been foreseen that the company's business and its requirements for invested capital would increase to the extent that actually has occurred.

The reason for increasing paid up capital is to be found in expansion of the company's business which has taken place during recent years and further expansion which is expected.

When the company's affairs were last before parliament in 1950 reference was made to the company's balance sheet for the previous year which had shown assets to a substantial total of more than $16 million. That reference, I might say, was made by my former colleague from Calgary West, Mr. A. L. Smith, whose contribution to this house I am glad to be able to recall at this time.

• (6:10 p.m.)

The balance sheet issued as at the close of its past financial year on July 31, 1965, showed total assets of $89 million. A large part of that was made up by a grain inventory valued at $54 million. To accommodate grain stocks of that magnitude, the company has been enlarging its elevator system during the past 15 years, bringing its total investment in capital assets to some $42 million. That is a very substantial business to have been established on the basis of a paid up

capital of just under $5 million. Its size was made possible by extensive current borrowings of some $38 million and long-term debt of $12.7 million. It is apparent that additional funds made available by the issue of further paid up capital stock can be put to good use at once. It is also apparent that with a broader financial base the company can continue to expand its services to western farmers in the years which lie ahead.

I am led to believe that this bill, which involves the welfare of so many thousands of western farmers, will receive speedy second reading. Therefore, in order to expedite its passage through the house I would ask at this time, if that proves to be the case, whether we might have unanimous consent to continue in committee with this bill during this hour.

Mr. Speaker: The hon. member realizes that before the bill could go either to committee of the whole or to a special committee it would first have to receive second reading. The bill at this point has not received second reading. I can only invite hon. members to participate in the debate.

If the debate concludes and the bill receives second reading, then the Chair might give consideration to the suggestion made by the hon. member, although he knows very well that this would be a very unusual, indeed, unique practice. Standing order 102 provides that these bills automatically are referred to certain committees. In addition, standing order 105 says:

> Every private bill, when read a second time, is referred to one of the standing committees as follows: bills relating to banks, insurance, trade and commerce and to trust and loan companies, to the Committee on Finance—

And so on. In other words, all bills automatically are referred to special committees. It would be a departure from this standing order and also from standing order 102, to which I referred a moment ago, to adopt the practice now suggested by the hon. member for Calgary North. In any event, at this time we still have not given second reading to the bill. I might ask hon. members whether they are ready for the question.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to say first of all, with reference to the suggestion made by the hon. member for Calgary North (Mr. Harkness) that this bill might be dealt with in committee of the whole house after second reading, that in spite of the fact that I recognize, as Your Honour suggested, that this would be a rather unusual procedure I for one would be very happy to support it in this particular instance.

[Mr. Harkness.]

It is a real pleasure for me to rise to speak to a bill presented to the house in this particular period of our proceedings which has to do with the capital share structure of a company to which I can give my warm and wholehearted support. In my view the proposal contained in the bill introduced by the hon. member for Calgary North represents an honest, straightforward, businesslike proposition. As such I feel it should commend itself very easily to the house. Unlike certain other bills with which we have dealt, having to do with the share capital of companies, this bill does not suggest the splitting of shares or any action which in my view would tend to deceive either the house or the Canadian people in the way in which certain other bills have, particularly those relating to certain oil pipe line companies. I mention this because I should like to emphasize that in considering this bill, as indeed in respect of others, I like to look at it on its merits as I see them.

As I said at the outset, I am very happy to give my warm support to the proposal introduced by the hon. member for Calgary North. As the hon. member said, this company is a rather historic institution in the western Canadian grain producing area. In fact I think I can fairly say that among my earliest recollections as a small child was the publication of this company coming into our farm home in the days when I still was resident in my native province of Alberta before as a young lad I went to live on Vancouver Island from which I currently come as a representative to this house.

I am interested to see that United Grain Growers gives a clear definition of its purposes in the explanatory notes. It indicates that the sale of further Class A shares will provide capital for the enlargement, acquisition or construction of additional grain handling facilities. To me this is a very legitimate reason for seeking to expand the capital structure of the company. Indeed, in my view I think it really is the only legitimate purpose for making changes in a capital structure.

Certainly the value of this type of organization to the farmers of western Canada in the handling of their grain has been evident even to those who have not had any close association with grain farming. The continuous support which has been given by farmers to this organization, as indicated by the

growth which has taken place and the fact that they have reached the point where they feel it is necessary and desirable to seek additional capital for further expansion, is an indication of the continuing worth of this farmer-owned organization to its customer members.

For all these reasons, Mr. Speaker, and because this company looms large in my earlier recollections, I thought I should like to say a few words in support of the bill which has been placed before us by the hon. member for Calgary North.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to say substantially what the hon. member for Comox-Alberni (Mr. Barnett) has said with respect to the proceedings concerning the bill. We are completely in agreement to waive the rules in this instance and consider the matter in committee of the whole house in lieu of sending the bill to a standing committee. If I might be permitted to transgress, I think we could have done this a few moments ago because quite often by unanimous consent the house waives the rules and makes special orders in respect of things which are to occur in the future. It is within our ambit of authority to agree unanimously that after second reading the bill be referred to committee of the whole house for consideration. However, that is another question and I merely make that comment in passing.

• (6:20 p.m.)

I notice that United Grain Growers is seeking to increase its capitalization by some $4,500,000 for purposes of expansion. It operates some 600 elevators in western Canada as well as two terminal elevators, one at Port Arthur and one at Vancouver. In the light of the heavy grain sales of recent years to the Soviet Union and to the Republic of China, it seems to me that recognition has been given to those sales and undoubtedly to the necessity of increasing the capacity of terminal elevators.

Not long ago the Canadian government decided not to proceed with a proposal to expand the facilities of the terminal grain elevator at Prince Rupert which is operated by the Board of Grain Commissioners. I should like to urge the United Grain Growers, if they are thinking in terms of using some of the $4,500,000 to extend and modernize terminal facilities, to give consideration to the advantages of establishing terminal facilities at Prince Rupert. I point out the opportunity there resulting from the Canadian government's decision to change its original intention in this regard.

The terminal facilities at Prince Rupert were built some years ago but were designed in such a way as to facilitate easy expansion. Docking facilities were provided in 1926 in anticipation of the capacity of the terminal elevator in Prince Rupert being doubled. There is an opportunity in this area for co-operation between the United Grain Growers and the Canadian government to expand terminal facilities. Prince Rupert is some 400 or more miles closer to the Orient than the port of Vancouver. It is located at the railhead of the C.N.R. and the elevator has a storage capacity of something less than one million bushels. These facilities could very easily be expanded and I am sure the people of Prince Rupert would welcome such an expansion. I make this suggestion in passing because of the reluctance on the part of the government to deal properly and adequately with a recommendation made some years ago that the facilities in Prince Rupert be expanded.

In general terms we look with favour on companies with a corporate structure similar to that of United Grain Growers Limited because they operate to some extent on the principle of co-operative ownership in that the people who own these companies are producers and have a greater say over the distribution and marketing of their products. That is in essence one of our concepts of public ownership, namely, that if people are given a greater say and greater control in their own economic affairs our society and economy will be much better off. It is for that reason we look with extreme favour on the bill currently before us. We wish this company well in its operations, and I personally urge it once again to look at the possibilities of establishing a terminal facility at Prince Rupert. I am sure the area generally would welcome such a plan, particularly inasmuch as the government itself has been reluctant to consider Prince Rupert as a shipping port.

Motion agreed to and bill read the second time.

Mr. Speaker: I understand that the hon. member for Calgary North has suggested that standing orders 102 and 105 be suspended to allow this bill to be referred to the committee of the whole rather than to the Standing Committee on Miscellaneous Private Bills. Is that agreed?

Some hon. Members: Agreed.

Private Bills

Mr. Speaker: Mr. Harkness 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.

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

The Deputy Chairman: Order, please. May I remind hon. members that this bill has one clause and a schedule with several parts.

On clause 1—*Increase of capital stock.*

Mr. Barnett: Mr. Chairman, I wonder whether the sponsor of the bill is in a position to make any comment on his own behalf or on behalf of United Grain Growers concerning the very interesting and worthwhile suggestion put forward by the hon. member for Skeena regarding an expansion of grain terminal facilities in the city of Prince Rupert. Those of us who have been following the remarks of the hon. member for Skeena realize that he has made a number of attempts to place before the house the advantages of the harbour and terminal facilities at Prince Rupert in relation to the possible expansion of our grain trade. In view of the position that has been taken by the government it seems to me that this suggestion is one which is relevant to the possible future activities of United Grain Growers.

Mr. Harkness: Mr. Chairman, I am sure the hon. member as well as others will realize that I am in no position to commit United Grain Growers to a project of this kind. I am also sure I am safe in saying that the directors of United Grain Growers will give careful consideration to the remarks which have been made in relation to the establishment of a terminal elevator at Prince Rupert. What their decision may be will, of course, depend on what they consider to be the best interests of their many thousands of farmer shareholders who supply the grain. I am sure they will give careful consideration to the idea.

Mr. Barnett: I am sure the hon. member for Skeena will agree that the directors of the company must consider first their responsibility to their shareholders. I am glad to note that the sponsor of the bill has assured us that the directors of the company will pay attention to the idea proposed by the hon. member for Skeena.

[Mr. Speaker.]

• (6:30 p.m.)

Mr. Leboe: Mr. Chairman, I should like to endorse what has been said about the possibility of encouraging the company to establish facilities in Prince Rupert. Over the last few years Canadian National Railways have spent millions of dollars in improving the railroad which has its terminus at Prince Rupert and on which this grain would move. Because a great deal of the grain goes to the Orient, it seems to me that rather than putting stresses and strains on the facilities at Vancouver and other places this is one place where a great deal of good for Canadians could be accomplished by United Grain Growers stepping in and filling the gap, as the hon. member for Skeena has said, and providing these facilities.

It is interesting to note that the greatest grain producing areas of western Canada are closer to the west coast. There is an exceptionally good railway grade for moving grain from Edmonton west through Jasper and Prince George. There are no high passes to go through and no steep grades to climb. It would therefore seem to me to be a very feasible operation. I should like to commend the hon. member who introduced the bill for making the statement that he would bring this suggestion to the attention of the directors of the company. I am sure the directors will look into all the advantages offered by the port of Prince Rupert, which incidentally is one of the great ports on the west coast.

Mr. Peters: Mr. Chairman, I have now had the opportunity of listening to the hon. member who sponsored this bill and the remarks of other colleagues in the house. I should like to add my support to this bill because it appears that the farmers have themselves operated this organization for a very long period of time in a very economical manner and the company has brought advantages to its shareholders as well as the membership who ship their grain through United Grain Growers.

The suggestion that has been made merits the attention of United Grain Growers board of directors. I refer to the building of facilities in the hitherto unserviced area, so far as United Grain Growers' elevators are concerned, of Prince Rupert. As previous speakers have said, the C.N.R. line appears to be the most direct one from the area of production to point of shipment to the Orient where a large share of our grain is now going.

It also appears from what has been said on previous occasions that the facilities of the

port of Prince Rupert lend themselves to the storage and assembly of a large number of box cars, which would facilitate the handling of grain in that area. This is not possible in some other areas. I believe that all of us in the house have been concerned with the situation that has developed over the last few years in the Vancouver harbour area where there has been a lack of facilities and railway sidings. There has also been a lack of space for the expansion of railway line facilities. I gather that this situation does not exist in the port of Prince Rupert.

The limitations inherent in the Vancouver area would therefore warrant the board of directors considering the port of Prince Rupert for the movement of grain, because it is generally conceded that the export of grain to the Orient will probably continue at an increasing rate for some time to come.

I presume that this company operates almost like a co-operative and applies the same principles. You do not have more than one vote no matter how many shares you hold; there is a limitation in this respect. That brings it into the class of most producer co-operatives in that to be a member of United Grain Growers Limited you must be a bona fide farmer, either as a lessee or as the owner of land. At least, I presume you must hold a permit—perhaps that is a better description—to be a member of United Grain Growers Limited. Therefore this body has many of the attributes of producer co-operatives. For this reason I believe the proposal that has been made, taking into consideration the increase in capitalization being sought, should allow for the consideration of development in an area that is not far removed from the large wheat fields of Alberta.

It seems to me there is a great deal of merit in the method of control in this company, unlike that of some companies with which we have been dealing recently. Those that are members of and support this organization should be quite proud of the advantages and facilities it has been able to provide its membership. They should also be proud that this expansion is now being undertaken on behalf of its members, and of the role the organization has played in western Canada over the years.

I therefore hope the organization will give consideration to the solution of a problem that has been worrying many members of the agricultural community in all parts of Canada whereby restrictions in regard to assembly of box cars have been causing considerable hardship in moving grain to the coast and loading it on ships. In my opinion this difficulty could be eliminated if a greater percentage of grain were moved to a northern port. I hope, therefore, that at the next board of directors' meeting they will consider this proposal and will perhaps find the government, which has been responsible for these restrictions through the action of the Minister of Finance, in a position to assist them in providing facilities at this port. This suggestion has already been accepted and a recommendation in this regard has been made by the National Harbours Board. I refer to the establishment and extension of grain handling facilities in the Prince Rupert area.

Mr. Howard: Mr. Chairman, could I ask the sponsor of the bill a question? As I understand it, there are two classes of shares, A and B. Class A shares are considered to be investment shares as distinct from membership shares. Does this carry with it the implication that class A shares are not what we would otherwise call voting shares? Do they entitle the holder thereof to be a delegate at meetings and to vote as such or is the right to vote and determine matters confined exclusively to holders of class B shares?

• (6:40 p.m.)

Mr. Harkness: No. As I outlined, Mr. Chairman, the class A preferred shares have no voting rights whatever. The control of the company is in the hands of the class "B" shareholders. There is a limit of 25 class B shares to any one particular farmer and therefore the affairs of the company in that way are wholly in the hands of the farmer customers of the company.

There is also provision that there shall be no proxy voting, so that if the situation ever arose that the control of a large number of these class "B" shares passed to any of these farmers they still could not control the affairs of the company through proxies.

Mr. Howard: This is a commendable thing to see in corporate law and I believe it can provide us with an opportunity to see if we cannot incorporate it in the same way in some of the bills which are dealt with between the hour of six and seven. I must apologize to the hon. member for Calgary North because at the time he was speaking on second reading of the bill I was in conversation with one of my colleagues in respect of another feature of the bill and I missed the point about the ownership.

I asked the question because as I understand the bill the increase in capitalization is purely an increase in the number of class "A" shares from 325,000 to 500,000 and no increase is contemplated in the number of class "B" membership shares. This prompted me to ask which were voting shares or whether both classes were voting shares. There are only 57,881 class "B" membership shares now outstanding of the authorized 200,000, and this situation should continue as it is at the moment. Is it the purpose of the bill to raise additional funds by attracting people to invest money in United Grain Growers Limited by way of class "A" shares or by way of debentures or lending money to the company at 6½ per cent interest instead of 5 per cent?

Mr. Harkness: As a maximum.

Mr. Howard: Yes, as a maximum. As I said earlier, it is worth while to see the structure of a company set up in this way. It provides ideas for including this same concept in drafting legislation with regard to other companies which claim that one of their objectives in seeking to be incorporated is so that they can be owned by the greatest number of people possible rather than a small group. We will take this under advisement when other bills are before us.

Mr. Barnett: Mr. Chairman, in connection with the two types of shares can the sponsor of the bill throw any light on the restriction with reference to holding class A shares. This is outlined in the schedule of the bill at page 4 in these words:

> That no person shall be entitled to hold or own more than two thousand five hundred of such shares.

I am intrigued by that limitation in view of the fact that class A shares have no voting rights and, as I understand it, are really entirely a source of capital funds for the company through the sale of such shares. Can the sponsor of the bill give us any information why that limitation is imposed by the by-laws of the company as set out in the schedule, placing a limit on the holding of class A shares?

Mr. Harkness: Mr. Chairman, originally there was only one type of share and, as I outlined, when these shares were split into class A and class B shares the limitation of 25 shares was removed so that it would have been possible for class A shares to be made available to anyone who might be in the market to invest funds. At that time, as I understand it, in order to prevent the accumulation of very large proportions of these shares in the hands of one individual or a small group of individuals or a company, the limitation of 2,500 was imposed so that a situation would not occur where the bulk of the preferred shares would be owned by one institution which would be able to exert financial influence, shall we say, on how the affairs of the company should be conducted.

Clause agreed to.

Schedule agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the bill be read the third time?

Some hon. Members: Now, by leave.

Mr. Harkness moved the third reading of the bill.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, before third reading is given I for one would like to express my appreciation to the sponsor of the bill for the lucid explanation of its purposes which he gave the house on its introduction at the second reading stage and also for the manner in which he was able to answer the questions asked when the bill was in committee of the whole. So far as I am concerned, the manner in which it was dealt with justifies us in having agreed to his suggestion that it be dealt with in committee of the whole house.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I believe the house should certainly be very cautious about the procedure which has been used today in allowing the waiving of a stage that provides for a detailed discussion of a particular bill. It is true that this should not be taken as an indication that this procedure should be sought or followed in other cases. However, I should like to join with the member for Comox-Alberni (Mr. Barnett) in saying that this bill appears to offer a number of innovations that other members would be well advised, when sponsoring bills, to be prepared to implement.

The passing of this bill indicates, I believe, the support of members for the principles which have been enunciated. As I mentioned a few moments ago, this organization does not fall into the class of co-operatives as we know them but certainly falls into that class

of farm organizations where shares are issued whose purchase enables anyone to participate financially while at the same time preferred stock is issued which provides for control of the company.

• (6:50 p.m.)

The provisions to limit the number of preferred shares held by a farmer to 25 and the minimum limitation of at least five shares being held by a person who is a delegate to a convention in my opinion are good. I think we should perhaps extend this principle to other bills I have in mind. If this were done, many of the objections we make to bills of this type would be eliminated. I believe the passage of this bill will indicate support for the idea of the shareholders of the company being provided through legislation with enough capital and the means of extending that capital to provide for the healthy expansion of their business. At the same time, the interest rate attached to this capital is in keeping with the type of operation being conducted. In my opinion the increase being requested is certainly not unreasonable, particularly after reading some of the deliberations of the recent inquiry into our two major telephone companies which operate in the public service field. The interest rate allowed these companies seems to be approximately the same as the interest rate requested by this company.

I believe, therefore, that the sponsor of this bill can be quite pleased at having accepted the responsibility for piloting this measure through the house. I think it is a good company. Nothing has been said against the company by anyone, and in this day and age that in itself is quite an accomplishment. The sponsor is to be congratulated also on the fact that he understands the operations of the company for which he is sponsoring the legislation, and he probably has been well briefed by the company. This bill and the way it has been sponsored should serve as an example for many of the bills that come before us in private members' hour which are not as well prepared or as lucidly explained. It therefore gives me pleasure to add my endorsement to that of other members who are in favour of this bill with regard to the United Grain Growers.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to say that as a farmer customer of the United Grain Growers for some 20 years now I was very happy indeed to sponsor this bill. At the same time I should like to say that I am not the holder of any shares in the company, preference or otherwise. As I say, I have been delivering grain to the company's elevator at my point at De Winton, Alberta, for some 20 years now. Again I should like to thank the house for the co-operation they have given in getting this bill through and to thank all those who have spoken about the bill in such laudatory terms. This company is one of the finest, farmer owned companies in this or any other country.

The Acting Speaker (Mr. Rinfret): Is it the pleasure of the house to adopt the motion?

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

The Acting Speaker (Mr. Rinfret): May I ask hon. members if they wish to call it seven o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): The hour allotted to private members' business having expired, the house will return to the consideration of the business interrupted at six o'clock.

RURAL DEVELOPMENT

PROVISION FOR ECONOMIC AND SOCIAL DEVELOPMENT OF SPECIAL AREAS

The house resumed consideration of the motion of Mr. Sauvé for the second reading of Bill No. C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas.

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, when six o'clock was reached I was speaking on some of the general aspects of the bill proposed by the minister. I was dealing with the fact it was hoped by those engaged in agriculture that this measure would not become bogged down by cumbersome bureaucratic methods, as has happened with many other measures of this type. Frankly, I am prepared to support this bill in order to see what will happen, how it will be used and how it will be administered.

It appears to me that under proper conditions this measure could be used as a real tool in helping agriculture, especially in the battle against poverty. On the other hand, Mr. Speaker, having regard to the way it is constituted and the way it may be set up, it could provide a ready vehicle for political

patronage. A great deal will depend on the calibre of the members of the advisory committees set up at the local level to advise the department on ways and means of administering the bill. If the farmers across this nation observe that men are appointed to these committees because of their peculiar abilities, because of their technical knowledge of the problems involved, because of their previous experience with the problems of agriculture, if men of this type are appointed regardless of political affiliations, then the people who are engaged in agriculture will begin to have faith in the government's objectives in passing this bill.

However, as I pointed out before, Mr. Speaker, if the farmers find that men of questionable ability are put on these boards because of their political affiliation rather than their knowledge of agriculture, then this operation will collapse. It will not receive and will not deserve the co-operation of the people engaged in agriculture. The co-operation of these people is necessary for the complete fulfilment of the wishes of the minister as he outlined them in the house today.

When the minister was dealing with designated areas of rural poverty he did not point out that Ontario has such areas. It is true that there are some sections of Ontario where agriculture is carried on to a remarkable degree and which are classified as some of the most progressive areas in Canada. However, sir, there are other rural development areas around the clay belt and on both sides of the Ottawa valley where conditions are not as affluent. I do not believe that the application of this bill should be confined to the areas outlined by the minister.

I am going to be very interested indeed when the minister deals with the different clauses of the bill to hear him outline in detail the machinery set up, provincially and at the local level, to analyse all the various areas across this great country of ours. As I stated before, agriculture today presents a tremendous challenge to people with vigour and imagination, to people who are determined to analyse the situation and to familiarize themselves with the tremendous problems of shortage of food, which will cost Canada and other nations dear in the future. We should design practical means to meet this challenge and to have the energy and resources behind these means to carry out our ideas, once they are conceived.

[Mr. Danforth.]

• (7:00 p.m.)

Once again, I think that far too often when we contemplate these areas of so-called rural poverty we confine ourselves to too limited a scope. We concentrate our thinking on what we can do to the soil itself in order to provide a better living for our people. I was very interested indeed to hear the minister speak of social welfare and the desire for and necessity to educate people, to train them for other trades and for a better way of life. But I cannot accept the solution which is offered in too many instances, that the people on these so-called submarginal farms and in areas of rural poverty should be taken off the land. This is not, in my honest opinion, the answer for which we are looking.

The reason these people are on the land is because they want to be on the land. They are on the land because this is the type of living they wish for themselves and their families. They are on the land by desire; and it is up to us at the federal level to explore the ways and means of providing the necessary climate which will enable these people to earn a living where they are presently located.

I have been tremendously impressed by one of the growing industries in this country, and how its methods might be applied in these particular areas. I speak of the tourist industry, with which we are all familiar. I am often amazed at the tremendous dollar earnings this industry brings into sometimes very small and restricted areas.

A striking example is taking place in my own province of Ontario. I happen to live adjacent to two provincial parks. These parks are perhaps no closer than some other areas to the United States, from where a great number of our tourists come. These parks to which I refer have been developed by local labour, which has cleared the underbrush and provided the necessary facilities. The amazing thing is that in the course of the tourist season these parks in their very first year of operation attracted hundreds of thousands of tourists, with a consequent tremendous influx of money to the area.

These tourists provide work for most of the local people by way of developing marinas, offering guide services, enlarging local vegetable and fruit routes, as well as bread routes. The dairy facilities require more scope. Very soon we see a complex municipality with tremendous surge. We see a little village of 700 to 800 people become for a few weeks a town of some thousands, bringing

tremendous benefit to the locality. I am wondering whether we could look into this aspect of the matter in our search for assisting these local people.

Now, Mr. Speaker, there is one other fact of which we must never lose sight, and that is that this nation and the world more and more each day is approaching a crisis in the search for edibles to feed the multitudes of people on this planet. More and more we are becoming conscious of the fact that the people who live in the so-called have-not nations are not going to be satisfied with the low calorie diet which has been forced upon them through the years. They are not going to be satisfied to see their populations decimated every year or so by famine. They too are becoming knowledgeable and know there are areas where there is abundance; but unfortunately areas of abundance are becoming fewer and fewer every year. As a matter of fact, Mr. Speaker, in the last few years some of these so-called exporting nations are becoming importing nations because they do not produce enough food themselves to feed their own populations. So we must never lose sight of this fact.

In addition, we should never develop a policy which to any degree removes arable land from cultivation and out of the over-all concept of producing as much food as possible. Food and water are the two most important commodities of human resources Canada will have for the future. These are two commodities we must produce in abundance; and in my humble opinion as far as ARDA is concerned our program must be directed toward this production.

How do we do this, Mr. Speaker? I think we must provide a tremendous amount of money for the research which is necessary to bring these so-called designated poverty areas up to a production never before thought possible. This is done by producing grains which have a shorter growing season or which have a higher protein value; grains which can be grown in soil which cannot produce grain today. By the use of proper planting methods we must extend our growing areas further and further afield and produce food more successfully.

We must not only develop these areas but must employ the necessary technicians to show our farmers how this food may be grown, how cattle may be raised, and how poultry may be reared on a limited acreage to provide that living for our families which is necessary. The people will learn by example.

If, under this scheme as set out, the government intends to take area farms or a township or county in any segment of the country, and carefully husband all of the resources available—as was so ably pointed out by the hon. member for Qu'Appelle (Mr. Hamilton)—analyse them and see what can be done, and by going into such areas show the rest of Canada that we not only have the desire at the federal level but the ability and knowledge to increase the living standards of these people, regardless of whether they are on the farms, in the related industries or in small factories, then if we do raise the living standards of an entire area which is suffering from poverty today the people of Canada will take heart and support such a bill as that brought in by the minister.

However, if we find that the enthusiasm of the minister, when it is filtered down through the various bureaus and committees to the grass roots level, is nothing less than lip service, then we are doing the people of Canada a disservice in this type of legislation. I have hopes that this bill will be the beginning and not the end. As has been pointed out by other speakers in this house, the responsibility lies on the shoulders of the minister, not only as to the manner in which he administers this bill, but in the way he provides the enthusiasm and drive behind it.

• (7:10 p.m.)

If he can do this, if he can make the people enthusiastic about it, if he can keep out partisan politics and keep out everything that would distract from the accomplishment of the purposes set out in the bill—if he does nothing else, he will have performed a great service to the people of this nation. This is what the people of Canada are waiting to see; this is what the people of Canada expect from a government. The people have a right to this; they have a right to expect this kind of administration. Surely the minister is in a position now to meet this challenge.

I think the minister grasped the concept of this when he carefully analysed the problem. I hope, after serious consideration, that the legislation he proposes is correct. If the minister has considered this legislation, and if his associates in the department have carefully considered it, and applied themselves, not just to treating it as another act of parliament, as window dressing for political purposes, but to making it work as something designed to help the poor areas of Canada, it will not only have the support of all sides of the house, but it will have the support of that

great agricultural industry and its leaders in Canada. Thank you, Mr. Speaker.

[*Translation*]

Mr. T. Lefebvre (Pontiac-Témiscamingue): Mr. Speaker, I am pleased to take this opportunity of speaking to the new resolution because it deals with granting the Department of Forestry $50 million to set up a fund for rural economic development.

I sincerely believe that in the two counties of Pontiac and Témiscamingue, there are areas in which this new measure can surely be applied. We were recently given the report of an inquiry on rural poverty in four counties. One of the ridings mentioned was that of Pontiac. There, in some remote areas of that large county, we found extremely poor people, lacking in education and means of improvement. The same may happen in the county of Témiscamingue.

I am truly convinced that rural areas in the East are in great need of government assistance. In as prosperous a country as ours, it is abnormal to have regions in which people live in misery, poverty, ignorance, without hope of ever knowing such improvement as would give them as decent a standard of living as the majority of our citizens enjoy. Doubtless there are areas where people live on farms which cannot produce profitably, where the climate will not allow it.

According to the program set up by the department, I understand that in those cases, the solution would be very complicated, that many of these people would be asked to move where their work and their skills would be better rewarded. The problem of rural ridings is one of the major problems in our country. I can tell you, Mr. Speaker, that during the last electoral campaign, I visited many unfortunate families, where the father was out of work or was paid a salary which did not allow him to enjoy or even come close to a normal standard of living, where children had a long way to go to reach school and often did not even have the necessary clothes to go.

I must congratulate the Minister of Forestry for his interest in rural areas. In passing Bill C-151, we are taking an important step.

[*English*]

There appeared in the newspapers recently, Mr. Speaker, a report from the Economic Council of Northwestern Quebec. In this report it was stated that the council viewed with alarm some of the problems facing the rural population in this region. The council has recommended that a study be made of the county of Témiscamingue, regarding the economic situation and possible projects that might be undertaken to help ameliorate the conditions that exist. Just recently also, the Minister of Forestry for the province of Quebec has announced that such a study will be undertaken. This will be a joint federal provincial plan and $12,000 will be spent on this study. I am confident that if the right kind of study is carried out, good results will be obtained.

I realize, Mr. Speaker, that there were only three regions mentioned in the minister's speech as he outlined the bill this afternoon. However, I find nothing in the reading of the bill that would exclude the counties of Pontiac and Témiscamingue. In these two counties one can find all of nature's unspoiled beauty and natural resources. It is a large region beginning only a few miles from here and ending about 50 miles from the city of Rouyn. There are operating mines in both sections of this riding, north and south, also to be found are many saw mills. At the town of Témiscamingue, in Témiscamingue county, can be found a large pulpmill that has been in continuous operation for almost 50 years, and is owned by the Canadian International Paper Co. In Pontiac county there is now under construction a similar mill by the Consolidated Paper Corporation. This is in Litchfield township near Portage du Fort. There are lakes and streams abounding with fish, and big game hunting is available for both moose and deer. Farming occupies a large segment of the population in both counties. It is truly a region where ARDA and its programs can certainly help to upgrade the living standards of those sections which up to now have not kept up to the more prosperous sections of our vast country.

I sincerely hope that the advisory board set up to administer this fund will take into serious consideration any demands for this region. There is no doubt that Pontiac-Témiscamingue certainly qualifies in respect of physical, economic and social conditions, and has a good potential for economic and social development, including tourism, which is attracting more and more people to our region. Thank you, Mr. Speaker.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I am pleased to have the opportunity to speak on this particular measure. I think it has been well stated up to this time

that in principle we agree with the general terms of the measure as outlined by the minister.

We are interested in this particular measure as it relates to the province of Ontario. Although I would suggest to the house that possibly a similar type of assistance might have been available to the rural areas in another way, or under existing legislation, nevertheless we are pleased to concur in the principles as set forth by the minister. I believe that this type of assistance and this type of philosophical thinking is quite necessary.

• (7:20 p.m.)

I listened to the minister very carefully and realized that what he said applied to a number of areas in the province of Ontario. Indeed, not too long ago the provincial government prepared an economic report indictating the levels of income in several areas of Ontario, and it was revealing to note the averages stated in it. Also, a survey was completed under the aegis of the federal government covering some of the same areas. This being the case, and as I have said previously in other debates, it is difficult for people as a whole to appreciate that they are living in a poverty stricken area, or a depressed area.

One of the objections I have to the way the government has acted is with regard to the manner it has dealt with the country as a whole. Just recently we finished the debate on redistribution, and I know the minister has much sympathy with my words in this regard because he is in a similar position of extinction. The government appears to want to reduce the voice of rural Canada, and that has been evident in the way the maps were drawn. I objected to that last week, and I object again this evening on behalf of the people I represent—not that I consider myself the best representative in this house, but the people in my constituency depend on me for the things which flow from legislative and statutory government.

I have another grievance in this regard. Not too long ago I asked a question of the Minister of Agriculture (Mr. Greene) about the importation of pork products into this country. I relate this to the fact that the minister says the bill before us is designed to give a lift to rural areas. I tried for a number of days to get an answer from the government. It was at a time when prices received by the pork producers had reached the highest point in the history of Canada. The minister gave an answer, cutting off my question at a certain date.

I knew I was getting the runaround and I was finally forced to put my question on the order paper so that I might get a detailed answer. As a result I found it was not just simply 2 million pounds of pork but 2¼ million pounds of pork which were imported, and that very week the price went right down. Surely we should have more regard for our primary producers. If they run across a time of high return, let them enjoy it. We should not take it away from them. No one can tell me that this was not deliberate. I realize I cannot put the finger on the government and say it was responsible, but it was responsible to the degree that it did not have the interests of the pork producers at heart.

Therefore I am prepared to give the minister full marks on his philosophical thinking about what he intends to do for these people through the measure we are discussing. But, as another hon. member has said, we do not want lip service: We want action.

Before this debate is concluded the minister should lay down in clear form the procedure that a group must follow, from the municipal level right through to the federal level. It is not clear now. During the last year I had a number of groups, organizations and individuals come to me in my area asking about the procedure. On numerous occasions I was forced to say "I really do not know. Have you done this and this? Have you been to see so and so? Have you a county organization"? They have told me, "We have been through all that. How on earth do we get our problem to the responsible minister in Ottawa"? On some occasions I have used very plain words to them, but for the benefit of these people I would ask the minister to make the procedure clear.

Since I believe the minister has spoken sincerely on behalf of the rural areas, I also want him to pay attention to the type of thing which happened back in March in regard to the importation of products that tended to reduce the income of our own primary producers. You, Mr. Speaker, and the minister both know that an industrial firm has a different method of control over such a situation. I think the minister will be able to do something about it if he remains as alert as he indicated in his speech this afternoon.

The minister has mentioned the flexibility of ARDA, and that this bill will fill a gap. He also mentioned the use of the program for

land, soil and water conservation. This is a very important thing at this point in our economic history. On many occasions in previous sessions I asked the Minister of Transport (Mr. Pickersgill) to consider instituting a national water policy and a national water authority. This is another channel into which the Minister of Forestry (Mr. Sauvé) could direct his thinking, because we cannot have one small area of our great resources dealt with at one time, and another small area at another time. Now is the time to consider a national water policy for the benefit of Canadians, a benefit which will flow to the rural areas as well as to those seeking water.

The minister also mentioned the importance of the social and economic effects on rural areas, and went on to say that farming as such is not the only rural problem. He mentioned education. This is truly worthy of consideration. I do not know how he can project his thinking in this regard because of the constitutional question, but I agree with him. The Toronto *Daily Star* of May 6 carried the following report:

> At a conference of county officials in the Lord Simcoe Hotel yesterday, W. G. Rae—

A school inspector whom I personally know well, and who resides in my home town.

> —blamed poor rural schools for much rural poverty.

Unquestionably the rural student or pupil does not have the same advantage as the city pupil. This is a ridiculous state of affairs if we want the rural areas to develop to any degree. If we are to spend $50 million under this bill, this is a factor which deserves consideration. Then there is the industrial side.

• (7:30 p.m.)

A day or so ago one of the government supporters, the hon. member for York North (Mr. Addison), was boasting about the tremendous industrial development along the lake front in the city of Toronto. This is fine; I know this. I pass by there twice a week; but can we not do a little decentralization of this type of industry. Can we not support them to a degree that it will be economically beneficial for them to move into these areas so that they may develop. Then the educational system will develop on the same base. The educational system will serve the rural area in the same way it serves the urban area. It cannot do so now because of the decreasing economic situation which exists. I can prove that by the census report for the year 1961, which I have before me. I could go down the list and point out a number of municipalities in that ten-year period which have decreased. I am sure the minister will be aware of this, because he also represents a rural area. I consider this to be a responsibility of government. I have been in municipal government and I know what the tax burden at the municipal level means. This may be an oversimplification, but it is becoming simply too burdensome. The only answer is to give them relief.

The people are there and in most cases they are willing to work, and do anything they are asked to do, so long as there is some area of development. Although the population figures for the whole constituency have increased, the decrease in the rural population is explained very simply; it is because the young people will not stay in the rural areas. I have said this before, and supporters of the government have supported this view. Almost anyone in the house who knows the situation in a rural constituency will tell you it is so. I will now depend on the minister to come forward with some ideas, and not five years or ten years from now. We do not want to wait ten years when our families are grown; we want something now for the young people, so that we can maintain their interest in the area after they have received a full and sufficient education.

To support further the view I am putting forward this evening, I have a newspaper report before me from the Toronto *Telegram* dated May 6, 1966, a few days ago. I think this is quite significant because of the fact that it is a report of a speech by a Liberal member of the legislature in the province of Ontario who is from a riding adjoining mine, Mr. Ross Whicher from Bruce, a person whom I know very well. The caption on the article reads "Farms starve, MPP charges". It says:

> Mr. Whicher said the provincial government had done nothing to prevent these areas slowly being strangled—

He goes on in strong terms and says:

> "We're not just asking for help . . . we're crying for it."

This is one of the areas which was painted as a black area and one which is underdeveloped, and indeed a poverty area. I say there are other areas in the province of Ontario. Mr. Whicher was supported by

N.D.P. members and a Liberal member by the name of Singer. He said:

"You've got all the flexibility in the world!"

This is what he was saying to the provincial government. It was the minister tonight who said he has flexibility in ARDA, and I sincerely hope he is aware of the need and will act accordingly. I can indicate to him the income which other counties in the province of Ontario have. These are official figures from the provincial government. In the township of North Hastings the income was an average of $1,380. In Lindsay township in the county of Bruce it was $1,530. Those are gross figures. I do not think we need go beyond the province of Ontario where the general belief is that everyone is wealthy. There are areas there which should be considered, too. I would ask the minister to bear this in mind when he is carrying out the terms of the legislation. There are others here. I could go down a long list, but statistics mean nothing except to prove a point at this time. We are looking to the future. We are looking to the minister to back up what he has said tonight. This concerns the whole country and not just one area.

I have sympathy for the people in Gaspé, whom the minister mentioned, the same as I have sympathy in respect of the need which I know exists in my own province. I am just as sympathetic concerning the people in Manitoba as I am in respect of the people who I know need help in my own province. We cannot go along and allow this area of taxation in the country to sink these people, because there is not another place for them to go. Most of them love the industry they are in and want to stay on the land; they do not want credit. Earlier in this session we expanded the use of the credit offered by the Farm Credit Corporation. But these people do not want credit; they have enough of it now. Some of them are buried in credit. This is the reason they feel no one is coming forward to do something which will give them the opportunity they require.

I notice that many of these points I have raised are in print in the bill now before us. I am pleased about that, because obviously the minister knew about all the provisions that were going into the bill. I do believe he has his finger on the important aspects of rural life which need attention, and he has outlined all of the ideas which will do the job. If he wishes to employ the powers that are at his discretion, he will now through this legislation develop a program which will assist the people to help themselves.

The minister himself said that this is not a welfare approach. As I said to him, we are not interested in this business of coming along and offering returns for efforts which do not produce. These people are willing to put the effort forth themselves, if the opportunity exists. As he stated, the legislation is not designed to step in where public investment cannot support the program that may be necessary in many areas. We experience this in our area of Ontario almost every year. There are other things we need. I often think of the assistance given in respect of the trans-Canada road program through western Ontario, and that a road program well might be considered to assist some of the small secondary industries in coming into these areas, if they should deem it advisable to locate outside the urban areas.

If again, as the minister stated, the bill is to create in the final analysis a better economic balance, a better standard of living, and a new era of development, the minister I think can be sure of the support of every member on this side of the house. Because of some of the things I have mentioned, I do not think we should be suspicious—not at all—but I think we must be very watchful and on guard to see that what the minister has said indeed becomes action, and is carried through into a realistic program for the benefit of the people in rural Canada.

• (7:40 p.m.)

Mr. Hugh Faulkner (Peterborough): Mr. Speaker, I should like to speak very briefly to this bill, which I consider a very imaginative one. Indeed, I think the whole approach exemplified by the minister is imaginative. It is one which deals with the sort of specifics we were told about last night on television. It is very important that this sort of approach be characteristic.

Before making one or two points I should like to deal with an assertion made by the hon. member for Grey-Bruce (Mr. Winkler) to the effect that this government is pursuing a line which is designed to reduce the voice of rural Canada. I suggest categorically that that is a false statement, if it is based on the results of redistribution. Redistribution was considered by independent commissions whose decisions cannot be attributed to the government.

This party, of which I am very proud to be a member, is deeply concerned with what is

going on in rural Canada and, furthermore, unlike some previous governments, is resolved to do a very great deal about it. I think the bill before us tonight and the attitude of the Minister of Agriculture (Mr. Greene) are symptomatic of the concern of the government.

Mr. Winkler: Mr. Speaker, will the hon. member permit a question? I should like to ask him whether he listened to my contribution to the debate on redistribution, in which I made a full explantion of the situation and suggested how it could be rectified. If he did so, the statement he has made is not valid.

Mr. Faulkner: Mr. Speaker, my statements were related to what the hon. member has said tonight, and that is all that concerns me at this time. His speeches cannot constantly be qualified by what he has said on previous occasions.

The other point I should like to make relates to something said by the hon. member for Kent (Ont.), (Mr. Danforth) during this debate. He referred to a fear which possibly exists in rural areas, that some of this program is designed to move people off the land, and that the solution to rural poverty is wholesale migration. I think that is a legitimate fear, but I do not think it is a valid criticism. I do not think it was ever intended by the minister, within the framework of this legislation, to provide for such an exodus.

Mr. Danforth: Mr. Speaker, would the hon. member permit another question? I certainly do not wish to inject a partisan attitude to this debate, but if the hon. gentleman is at all familiar with the promises made by his party during the last election campaign as to how they would solve farm problems he should be more aware of the cause for fear in the rural population as it exists today.

Mr. Faulkner: I certainly hope that those individuals who incorporated promises of wholesale exodus from rural areas in their campaigns were defeated at the last election. Very few of us who are fortunate enough to be here incorporated that kind of promise in our election speeches.

Mr. Winkler: Walter Gordon is still with us.

Mr. Faulkner: The alternative, of course, is the concept of better land use. The hon. member for Kent (Ont.) developed some of the alternative possibilities, particularly when he referred to the tourism potential. I am very mindful of this alternative in my own riding.

The hon. member for Grey-Bruce mentioned the need for development of small industries in rural areas. I think it is imperative that members on all sides of the house make it clear to audiences in rural areas, who fear that somehow the solution envisaged in this legislation is some sort of exodus from farm areas, that this is not the purpose of the program.

I should like to make one or two specific points. I recognize, as do all hon. members, that the problem of poverty necessitates that priority be given to areas of chronic low income. I am concerned about the effects of this legislation on the more affluent, yet not totally affluent areas of Ontario. Although the problems in the Peterborough riding may not be as severe as those in other areas, they are nevertheless grave. It is very important that attention be given within the framework of this legislation to those areas which may not be chronic areas of low income, but nevertheless have grave problems. I trust the minister will give consideration to this situation.

My other point, which I think is extremely important, relates to the provision in this bill for the participation of residents of these areas. I have had some experience recently within my riding with what is going on at the provincial level in Ontario, and I think it is fair to say that there is a deep concern within rural Ontario, if my area can be taken as typical, about intrusions into the basic rights of citizens. They are not anxious to be patronized from above by governments. What they want more than anything else is simply an opportunity to exercise the sort of initiative of which they are capable, and it is important to stress this dimension in this bill.

This is not something that will be solved by a group of individuals located in Ottawa or Toronto. It will only be solved by an active participation on the part of the residents themselves in planning programs for their particular areas. This has been proven beyond a shadow of a doubt by the results of the village development programs instituted in countries like India.

There must be greater efforts made to inform rural areas as to what will be available to them through this program, what this bill intends and how they in fact can participate. It is my experience that this information is not available to them, or has not been brought to their attention as yet.

My final point refers to the role which can be played by young people. At the present time there is an exodus of young people from rural areas. This is happening for one reason, that there is a greater opportunity for them off the farms. What is really lacking is a concerted attempt to show young people that there is a future for them, not necessarily on farms but in rural areas, perhaps in other lines. There is very little in the way of leadership training programs available to them. I noticed in one of the many press releases I received from the minister's office that such a program was carried out in Alberta. That is the sort of example that is necessary, and the sort of initiative that is needed.

As I look down the concession lines of my riding I find that the average age of the farmers in my area is between 50 and 60. Most of the young people who were there have gone to work in factories operated by Canadian General Electric and Outboard Marine, mainly because no one suggested there were alternatives. They felt they had to remain on the family farm or go to work at these factories. There is actually a tremendous opportunity for these individuals if the necessary leadership is provided, and these people can in turn take advantage of the work of organizations such as 4-H clubs which are doing an invaluable job in rural areas.

I hope the role that young people can play and the advantages of participation on the part of residents will be developed as fully as possible within the framework of this bill which, as I said at the beginning, is a most imaginative and important one.

Mr. Irving: Mr. Speaker, I rise on a point of order. I believe the hon. member said that a statement made by the hon. member for Grey-Bruce was false. I do not believe the hon. member for Peterborough wants to leave such a statement on the record.

Mr. Speaker: Order, please. The hon. member knows that it is not unparliamentary to say that a statement is false, incorrect or inexact. What is unparliamentary is the suggestion that a statement is deliberately and intentionally false or incorrect. That is not what the hon. member said.

Mr. Ed. Schreyer (Springfield): Mr. Speaker, unfortunately I was not able to hear all the introductory remarks of the minister when he spoke at the second reading stage this afternoon. Like other members, I presume, I went to attend the committee on agriculture only to find that it had been cancelled. That fact says little for the co-ordination of committees of this house and the work of this chamber itself.

• (7:50 p.m.)

I would assure the minister, however, that I have on many occasions in the past taken the time to read—with diligence, I hope—some of the speeches he has delivered to various organizations across the country, agricultural organizations, groups of businessmen, and so on. In this way one gets a pretty clear picture of the thinking of the minister with regard to the problem of rural poverty, rural rehabilitation and ways and means of improving standards of living and levels of income in rural parts of this country.

I hope the minister will consider some of the points I raise this evening and reply to them seriatim. It may well be that what I have to say was touched upon by the minister when speaking this afternoon, or by other hon. members. I would begin by saying that the ARDA legislation in the course of the past few years has become very popular, at least in concept, and few members, if any, would really want to be critical of it.

On the other hand, I think that while we are all enthused with the legislation and the concept behind it, some of us are less enthused than others. I am one of those who, after reading about and studying the problem with which this legislation is designed to try to cope, has become somewhat sceptical and pessimistic about whether the legislation has the scope and enough money behind it thus far to really grapple with the problem in depth.

I shall try to deal with some of the reasons for my having become sceptical and somewhat pessimistic in this regard. I would ask the minister whether the amount referred to in the legislation before us, namely $50 million, is to be replenished annually, so there will be $50 million available for expenditure each year. Is this to be on a revolving fund basis or not? We have no clear indication in this respect from reading the legislation itself.

Another question that arises is, how long will the ARDA legislation be applied on a special, designated area basis? In effect, at the present time it is applied on a sort of test area basis. I maintain that it is not right, and we cannot justify for very long applying this legislation on a highly selective basis across the country. I know that in the case of crop insurance, for example, for a few years it was

deemed necessary and prudent to implement crop insurance on a test area basis so the administration could learn from experience and through that learning could decide when it was right to make crop insurance available on a province-wide basis. I maintain that after five years it is time we thought seriously about making this legislation applicable to all parts of the country, and all regions of the country that meet certain requirements having to do with level of income, land use, and so on.

I do not know whether the minister has mentioned this, but I would say with all the emphasis I can muster that to my way of thinking it is really unfair that we should continue year by year applying ARDA to only a few parts of the country. For example, in Manitoba ARDA at the present time is for the most part restricted in its application to the interlake area. It is true that agreements have been entered into with the province of Manitoba for the construction and development of a provincial park on the outskirts of metropolitan Winnipeg, and so on; but in so far as rural residents are concerned, the program has been restricted to the Interlake area. Yet there are other fairly large regions within that province that have much the same kind of economic circumstances as the interlake area. In the eastern part of Manitoba, running from lake Winnipeg in a crescent on the western escarpment of the Canadian shield, one finds much the same kind of farming operations and economic circumstances as in the interlake area. Surely an area like this should be considered for inclusion in the ARDA program before many more years pass. If this is not done one would have to admit that these people are simply being denied the opportunity to benefit from whatever programming ARDA has to carry out in the next few years.

I should also like to put to the minister the thought that already there is growing skepticism, not just on my part but on the part of many people to whom I talk about ARDA, to the effect that after this number of years—and it is almost five years now—it seems that ARDA is still very much in its first phase, that is to say in its analysis, survey and study phase, and nothing really concrete or tangible of any magnitude is being done by ARDA in the way of actual, concrete programming.

I know that before effective programming and implementation of programming can be carried out there must be a pretty thoroughgoing study and deep understanding of the economic and social problems involved. But I am only passing on to the minister what I said is becoming a more deep-rooted attitude on the part of people in so far as ARDA is concerned. As the hon. member for Qu'Appelle (Mr. Hamilton) said earlier today, if the feeling becomes more widespread on the part of people that there is procrastination and bureaucratic delay in this or any other program, that program will be killed in the minds of the public and particularly those who will be involved with it. With that sentiment I thoroughly agree.

• (8:00 p.m.)

I would take this opportunity of congratulating the minister on bringing forward this legislation, which I hope will be the beginning of a real intention to start, without delay, actual, concrete programs of development and income raising in different parts of rural Canada. I think at this point, too, it would be relevant to ask the minister whether all due consideration has been given to the desirability and possibility of including in the program the people living in areas such as those I have mentioned. I am sure the minister is aware that in the war against poverty program in the United States the practice, which I believe is authorized in the legislation, is that at each level there shall be representatives of the dwellers in the designated areas themselves. So that I hope, as the minister follows through with this legislation, if this practice does not obtain, one will be developed to include the various advisory and planning boards to deal with representations of the people living in these designated rural areas. The expertise must be there, but at the same time it seems to me that there is much to be gained by having included the opinions and the advice of people who are actually and directly involved.

I must say that in reading the several speeches given by the minister on ARDA and its implementation, I have not come across any reference to this specific point as to whether such representation was being allowed, encouraged or solicited by the administrators of this legislation.

Let me say too, Mr. Speaker, that I believe the task which faces the ARDA program is immense in the extreme, and that is perhaps the main reason why I am somewhat pessimistic as to whether it will succeed to the extent of the image built up by publicity of this program, and to the extent of the hope built up in the hearts of many farm families and farm people. There is nothing wrong

with publicity, of course; it is part of the process of informing the people of the problems they face, and informing them of ways and means being considered for helping them out of their unfortunate economic circumstances. I believe this kind of publicity is good, and that it is necessary. However, I cannot escape the impression that the publicity has had another effect as well, and that is to leave the impression that it will give to groups with an over-all problem, an inadequate farm income. I cannot see that this legislation will be able to assist them. But since it is a fact that ARDA shall be carried out in conjunction and in co-operation with two levels of government, and the various departments of the government, I would hope that among other co-operation which is to be carried out between the Department of Forestry and the Department of Agriculture vis-à-vis ARDA, they would also co-operate with respect to the problem of trying to come up with a new and revised policy statement on agriculture which would, among other things, deal with the problem of farm income.

As has been said by the Minister of Agriculture, for the first time in a long time—perhaps the first time ever—we are beginning to leave the economics of surplus in agriculture and we are beginning to enter the phrase of economics of scarcity of food products. As a matter of a fact, in recent days, certainly not more than two weeks ago, there was a major policy announcement from the White House to the effect that reverse United States government farm policy, particularly as it affected grain production, was now out to stimulate greater production from American farms. It seems to me that inasmuch as we are now beginning to worry about scarcity in Canada instead of surplus, now would be the time to concentrate on incomes and price policy for agriculture. Not until agricultural prices are improved considerably will we be able to hope that much of the rural poverty now existing in Canada will be erased. Only after we succeed in obtaining a more realistic and a fairer commodity pricing policy in agriculture will ARDA's task become manageable, because then they will be faced with the problem of attacking rural poverty, which stubbornly remains even after price revision and the measure of improvement it permitted.

So, Mr. Speaker, I would hope that the minister when he replies will be in a position to deal with some of these points and comments. I want to reassure him however that while I do have some sceptical feelings to express relative to ARDA and its implementation to date, nevertheless at least in concept it is the kind of program which can be endorsed and if given sufficient moneys it will be able to do a creditable and memorable job in eradicating much of the world poverty existing in our country today.

I would restate that I feel much of this publicity about the efficacy of the program and its potential is really holding out false hope, and will continue to do so until such time as we have a revision of basic farm commodity prices and policies in this country.

• (8:10 p.m.)

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I shall say first to the Minister that Bill C-151, which is now before the house, is a piece of legislation which will be welcomed by all Canadians.

I should like also to mention the intellectual honesty of the minister when he said, at the beginning of his remarks, that ARDA, which was introduced in the house by the former Minister of Agriculture, the hon. member for Qu'Appelle (Mr. Hamilton), had proved to be extraordinary legislation.

Indeed, ARDA which was presented by the previous government, has, I think greatly contributed up to now to the economic expansion of our rural areas. Of course, that legislation did not propose to cover all the economic sectors that are found in those rural areas; however, it has rendered a tremendous service to our farmers, our industrialists and those of our people whose income was below average.

I would say that Bill C-151, now before the house, supplements the ARDA legislation which was introduced by the former government and which was enacted by the house.

This legislation is entitled the Fund for Rural Economic Development Act. Of course, as a member from a rural area of Quebec, I must tell you that this legislation appeals to me in a very special way and that it is welcomed in our rural areas.

Through ARDA, the Department of Forestry has carried out in my area a project called Mont St. Anne, in Beaupré, on the north shore of the St. Lawrence. I must tell you that the taxpayers in that locality have greatly benefited from that undertaking.

But what I find a little disturbing in that legislation is that apparently the provincial authorities will have the choice as to pilot

projects. The minister has already told the house that the provincial authorities will decide on the pilot projects and that the federal government will to a certain extent contribute to their preparation.

This afternoon, I was greatly impressed by the figures the Minister of Forestry gave us about the pilot project in the Lower St. Lawrence region.

Since I live on the north shore of the St. Lawrence, over the last few years, I had opportunity of hearing reports from directors of the pilot project of the Lower St. Lawrence area. The minister said it this afternoon and I noticed it myself during those television interviews, an economic survey was made not only of the economic factors but also of the human factors of the localities to which the pilot project of the Lower St. Lawrence region applied.

I am convinced that this pilot project was extremely useful when it came to statistics in the following fields: geography, demography, sociology and economics.

However, I deplore the fact that the government did not organize in the various regions of Canada a greater number of pilot projects.

There is in Quebec a designated area, that is to say an area which is not industrialized and where there is a lot of poverty. When there is talk of waging war on poverty, I think that those areas which are least favoured from an economic and social point of view should be the first ones considered.

The region I represent, Mr. Speaker, is one of those. When I speak of my region, I speak of the north side of the St. Lawrence, between Quebec City and the North Shore.

There are not a great many industries. In the Charlevoix area and part of Beaupré, there are only two paper-mills employing about 1,200 people. Of course, I am not talking here of the bush-workers who keep those mills busy but of the workers employed in the paper-mills. There are naturally family type secondary industries but they are far from employing the great number of unemployed registered now in our various selective employment offices.

I wish also to say that our workers do not have much schooling; I think the minister will understand that the area I represent can easily be compared to that of the Lower St. Lawrence and the South Shore, about which he spoke this afternoon.

To support my arguments, I would like to give you some figures. On March 31, 1965, we had in the riding of Charlevoix, 2,691 men and 217 women, a total of 2,908 persons, claiming unemployment insurance benefits.

According to the 1961 census, Charlevoix had 8,273 paid workers, namely 6,469 men and 1,804 women.

• (8:20 p.m.)

Since the number of workers has changed little since then, the rate of unemployment, as of March 31, 1965, was 37 per cent in our area. If we add to this the number of persons in receipt of relief who are not paid benefits even though they are out of work, I think the rate of unemployment would easily exceed 40 per cent.

Heaven knows that our area provides exceptional opportunities for the experts, for those who want to look after the rural development of the district. Like all those who visited our region, they were able to admire our mountains, our lakes, the sites suitable for camping. In addition, in St. Urbain, there are mines still idle for lack of capital. Moreover, forestry operations are undeveloped because we lack the required capital.

That is why our area lacks secondary industries which could help especially those hard-working people whose only wish is to earn a decent living.

There are, of course, in our areas economic planning boards. We have the tourist board which, as you know, promotes the tourist industry in our region. For six months of the year, a large number of our people live on the tourist industry. But that industry is only developed to an extent of 20 per cent.

Of course, as I pointed out to the economic planning board, our Chambers of Commerce and also our boards which promote the tourist industry, try to do something to develop that industry which is essential to our population, because our area is one of the most attractive in the province as far as the tourist industry is concerned.

Even recently I asked that Tourist Council what grants it had received from higher governments to works stimulating our tourist industry. I was told that, last year, the provincial government gave that agency only $2,000 to $3,000. And why, Mr. Speaker? For publicity to attract a greater number of people, in an endeavour to develop, as I said a while ago, an industry that is profitable, the tourist industry.

Naturally, I believe the bill introduced by the hon. minister, as I have said before, is an

excellent one. But I would like the hon. minister to give us some explanations. The bill provides an amount of $50 million. This amount will, of course, be allotted by a board to be appointed by the department. Its purpose, will be, as indicated in section 4 of the bill:

(a) the undertaking jointly with the province or any agency thereof of a comprehensive rural development program in a special rural development area; or

(b) the payment to the province of contributions in respect of the cost of a comprehensive rural development program in a special rural development area—

I would like to know—I am sure he can tell us—if this money will be paid only where pilot-areas have been set up. That is extremely important. Will the $50 million provided for in this bill be paid to the provinces to help the pilot-areas already set up, those regions the hon. minister spoke of this afternoon? Here is an example: if a sum of $20 million is given the government of Manitoba, New Brunswick or Quebec, I would like to know, especially with regard to Quebec, if those millions given the provinces for rural development will be handed over exclusively to the regions where surveys of social, economic, and geographic conditions have already been made. I have no wish to start an argument with my good friend the member for Rivière-du-Loup-Témiscouata (Mr. Gendron), but I would like to point this out: if the hon. minister intended these amounts to be spent first of all in those areas or pilot-areas already set up, I think it would be detrimental to the areas where the needs are just as great, whether the pilot-areas are located in other parts of the province, or elsewhere in Canada.

I would like the hon. minister to enlighten us in this regard. That aspect of the bill worries me for, in his opening remarks, the hon. minister spoke of three provinces where surveys had been made in pilot-areas. He mentioned New Brunswick, Manitoba and Quebec. I feel that should the act apply solely to the development of those pilot-areas, great and serious injury would be inflicted upon the other areas that are in great need of this help and also need these millions to fight off poverty.

In his opening remarks the hon. minister spoke of the war on poverty. We stand with him, we are all for fighting poverty in all its aspects. Now, I say it again, I feel there are regions in Quebec in great need of government assistance, federal and provincial assistance, to pull out of stagnation, to develop economically and to raise the standards of education of their people. To my mind, one of those regions is the lower St. Lawrence. I am pleased to see the hon. minister seems to agree with me, but I would ask him to enlighten us at the end of this debate and tell us how these amounts will be allotted in those regions which are also underdeveloped, designated areas. I know our municipal councils have adopted resolutions requesting information on how ARDA might be used to develop our rural areas—

Mr. Caouette: They did not get any reply from the hon. minister.

Mr. Asselin (Charlevoix): —and in passing —did the hon. member for Villeneuve say something?

Mr. Caouette: I said they did not get any reply.

Mr. Asselin (Charlevoix): And, in passing, I must point out to the minister that obviously, agriculture at home is terribly depressed. I recently encountered some farmers who told me that their average yearly income is between $900 and $1,600. How do you expect a farmer who must pay school taxes as the worker does, and who must make payments on machinery to improve his farm to live in 1966? It is well known, Mr. Speaker, that school taxes are terribly high in the province of Quebec. It would be high time, I feel, that the minister consider this forsaken class that is the farmers.

And so, in closing, I strongly applaud this legislation, but I trust it will be equitably applied to all areas of Canada, not only in those areas where surveys have been made to decide the best way to apply it in the economic and social fields.

Mr. Rosaire Gendron (Rivière-du-Loup-Témiscouata): Mr. Speaker, I should like first to congratulate the hon. member for Charlevoix (Mr. Asselin) for his speech and to assure him that our economies complement each other and that, undoubtedly, any provision likely to develop the Lower St. Lawrence, more particularly the riding of Rivière-du-Loup-Témiscouata, will affect his own economy. I also wish to assure him of my cooperation to promote more adequate communication so that the tourists who take

to the North Shore and the Lower St. Lawrence may benefit our two areas and contribute to their development.

• (8:30 p.m.)

I also wish to congratulate the minister on the introduction of his bill, on his dynamic administration of his department and on his often expressed desire to co-operate with the provinces and the public bodies which concern themselves with the problems of the development of designated areas in particular. Several members were jealous of our selection as a pilot area because there is also poverty in their regions. It must surely be the first time that poverty is to be envied. I believe there are two reasons—there is no cause for an area to congratulate itself on its selection as a pilot area. First, the main characteristic of those regions was a high level of unemployment, a low level of income and general poverty.

Another reason why we can be proud to have been chosen as a pilot area is that in the Lower St. Lawrence region, we did not merely throw the blame on others and weep over our sorrows, but we tried to take our future in hand and organize ourselves for the necessary work of rehabilitating our region and of getting the help of competent authorities.

Indeed, in 1956, the former Secretary of State, now member for Outremont-Saint-Jean (Mr. Lamontagne), in a speech made at Mont Joli, introduced the idea of an Economic Council in our region which would unite our efforts and work toward our economic development. His message was to be heard by the chambers of commerce and the municipal councils which, as early as in 1956, grouped Rivière-du-Loup, Témiscouata, Rimouski, Matapédia and Matane through an economic council whose goal was to unite all men of goodwill in the region to promote the development of its human resources so as to ensure true and lasting prosperity and to represent them before governments and higher economic organizations with regard to regional questions.

Thus we became a group and the municipalities paid 10 cents a head while the county councils contributed 5 cents a head to the establishment of an Economic Council with a permanent secretariat to help with economic surveys throughout the region. We began by assessing our main strength, our population.

We had done a study on transportation, on agriculture, and we necessarily became aware that we did not have the financial facilities to develop more fully and adequately the complex program of studying a vast territory with many complex problems.

However, that work drew the attention of government authorities and we became the first pilot area in Canada under ARDA, with special studies projected and also I hope special subsidies.

The Economic Planning Board gave birth to the Eastern Quebec Development Board and brought together many experts of different schools of thought who, for three years, have been making studies of the territory. The E.Q.D.B. decided to undertake a general study of the territory instead of specific projects, and also encouraged the people to participate in that work. Undoubtedly, much could be said on the whole question of development and the new duties of whoever would undertake it with regard to his relations with the people and his future projects.

Suffice it to say that, to my mind, developers are architects who draw up plans for the land of the local people who are its first owners and who must therefore keep the initiative and the final decision which, is recognized as that of any owner with respect to an architect.

Social incentive may have a double purpose, that of inviting the population to understand the rules of the art of development as well as the purpose of translating the aspirations of the proprietor, of the local people. I dare hope that, at the conclusion of those studies which are to be made during the summer, there will have been a full understanding of this double mission, on the one hand, of the architect who must not only have planned his development, but also have considered all the aspirations of the local people and that the latter on the other hand, will realize the considerable risk in brushing aside all the studies and in thinking that planning or development can be done simply as chance directs or by improvisation.

I think both elements are essential and must play their part and that people in office, members of parliament and others, really do their share and take part with development experts in the preparation of a program which might possibly bring about a real development of the area. We hope for a great deal from the preparation of this plan and we

hope very sincerely that it will get the approval of the federal and provincial governments and that there will be numerous adjustments to develop the economy of the area.

We also have some concern which is shared by all outlying communities, or the less favoured areas, which now see great economic concentrations take place away from their territories, and in relation to the problems of agriculture, on which a man could once make his own living and which today can feed about 30 persons, gradually moving toward an industrial and commercial orientation, while the necessary expansion of lands and better utilization of farming machinery release a great number of farm employees who cannot find employment in our areas and increase the haemorrhagic outflow toward the large sectors, which deprives our society of the dynamic elements for the development of our territory.

We are greatly worried because we know that, at the present time, industrial development is made in relation to great concentrations of population and also that universities settle where there are research centers, thus accentuating that migration of young people from the rural areas to the city and creating great problems.

We understand that the industrialist is not responsible for the social problems he creates but, in the end however, through his taxes and his participation to the fiscal and economic life of the country, he foots the bill.

One may wonder what social and economic problems those economic forces, left alone and aiming toward that greater centralization, create at all levels.

Air and water pollution, the ever-increasing cost of expropriation in large cities for road construction, underground and air traffic, finally the crowding in great cities of often badly prepared people from rural areas. What does that bring about as social and moral problems? What is the general cost to society and what is the problem with regard to the standard of living and the joy of living?

Will it be necessary in the end—and that is the question being asked in rural areas—to encourage progress where it is, where it can happen or if it will be necessary to stop that drain and try to create a type of economic stability which would be better distributed throughout Canada?

In short, to remedy unemployment in rural areas, will it be necessary to encourage only a policy of manpower mobility? Would it be aiming too high and taxing too much our human and economic resources to want to better economic stability throughout the country?

• (8:40 p.m.)

Those are the questions being asked and they worry the rural areas which, in spite of all, want to build, to expand.

Father Pierre said:

> —that a world governed to please those who are happy and not to free those who suffer unjustly is necessarily doomed to hate.

One may wonder what the feeling of frustration felt in rural areas about that constant migration of their primary forces can result in at the political level for the future of the country.

If some demagogues really knew how to capitalize on those feelings of frustration, they could sometimes lead us in adventures which would have terrible repercussions on our country's future.

I submit that, in any case, we will have to pay the price of progress or recession, and by recession, I mean let things follow their own course and do nothing to restore the economic balance to which I referred a while ago.

It would be interesting to have exact figures on what I call the price of recession. What is the social and economic cost of this youth migration? People, speaking in a popular way of this centralization toward large centres, translate this thought by saying: water goes to the river and developments of large centres invite governments to invest the necessary funds for public works and other services, while the same services are refused to small centres because it would not be profitable. But shall we allow—and I return to my example—an extremely fertile land to be flooded and carried away into a single gulf, or shall we be able to embank it to allow irrigation of its shores for the benefit of all the areas?

The whole problem concerns the necessity to set up an economic balance throughout the province, throughout the country. This bad distribution leads directly to chronic and lasting unemployment in less favoured areas.

There is also the danger that this unemployment, this destitution may lead to intangible social calamities, when there are so many opportunities and so much good will that have only to be put to good use, so much

wasted talent and frustrated ideals, which need only a little hope and the possibility to solve these problems, and instead of being a burden, let alone a shame for society, they can become an important asset capable of contributing to the progress of the country.

It would be interesting to know exactly the social, moral and economic problems which this human stream, poured as in a single gulf, has involved for the big city. What is the exact cost of this overcrowding of population and public investments necessitated by its greater traffic?

It is easy to conclude that the economic forces left to themselves develop like a cancer killing the best cells of our society, and developing great urban centres which are too large for man and cannot answer his deepest aspirations.

A survey made in Paris among 7,700 families gave the extraordinary result that 80 per cent of them had concluded that if they had the choice, they would prefer to live in the country; 10 per cent were indifferent and 10 per cent were happy with their lot.

It may be easy to conclude that the large amounts invested in housing, which do not really meet the wishes of the people and to say that, one day, we might want to go back to nature, to own property where we could have a garden, a swimming pool, and other facilities, that the dwellings we conceive at a heavy cost might become slums because all those who will have the opportunity to get out and the necessary income to do so, will leave.

Therefore, it is necessary to reconsider the philosophy of urban renewal and to promote instead a better distribution of municipalities and also their opportunity for a more harmonious development.

Areas where sometimes the most dynamic factors have been siphoned out, are faced with ever increasing community charges with a decreasing number of people to carry them. At any rate, society foots the bill.

There is no need to quote all the data of transfer payments or social security or unemployment insurance and assistance in the nine counties represented by the B.A.E.Q. but the minister said in his speech that it amounted to $83 million.

This is what I call to foot the recession bill. However, 50 per cent of the people work only six months a year in temporary jobs and during winter, the number of unemployed

[Mr. Gendron.]

amounts to 30 or 40 per cent of the available labour force.

Prejudices go around in that respect. We will, of course, get a clear conscience by saying that these people do not want to work, that they are lazy, they do not have the necessary drive, but I should like you to answer the telephone calls of those asking the mayor for the privilege to work in ditches with water up to their knees, in extremely difficult and painful conditions.

If it costs the government a lot and the gap still widens between the more favoured and less favoured groups, this is good reason to increase the measures for industrial development in the designated areas, and to have an overall policy to assist industrial development in the outlying areas.

I proposed, as president of Quebec union of municipalities, the establishment of a department for rural development at both federal and provincial levels. I admire the work performed by the minister and I am firmly convinced that this whole problem of rural development and war against poverty is everybody's problem, in short the problem of every department, of every crown corporation, and every individual.

When a war is threatening, is everyone not urged to contribute to its cost and to share in its problems? I say that this department of national development should be headed by the Prime Minister himself, because only the Prime Minister can effect the required coordination among all the departments, ensure the centralization of their activities so as to make them realize that it is not enough to administer at best their own department, but that everyone should concern himself with promoting a more harmonious development of our economic activities.

This responsibility should be shared equally by all crown corporations and companies, such as the General Financing Corporation, the C.F.U., whose mission should be not only to bring about a general improvement in their particular field but to implement regionalization and decentralization.

If this is nobody's concern and efforts are dissipated, this serious problem will never be solved. Farms should be regrouped so as to increase their economic potential. Our people are ready to do this. The establishment of quasi-agricultural bodies and the marketing of farm products should be promoted. I know that many pieces of legislation and many persons, namely the minister, are concerned with these matters.

Municipal regrouping must also be promoted to counterbalance the large centres and to enable them to secure the equipment and the services required for desirable development.

The dispersion of industry also represents a most urgent problem. This dispersion must be remedied by putting a premium on amalgamation, reconversion, plant building, to be paid automatically and directly to the contractor who creates employment, and thus emphasize premiums on employment instead of premiums on unemployment.

Additional assistance should also be given generously to equip and organize urban services in centres likely to bring about industrial development.

• (8:50 p.m.)

The establishment of regional industrial development organizations should be promoted to regroup contractors and companies, to distribute information concerning government services on imports and exports. Surveys through advanced projects should also be undertaken to reduce investment risks by contractors.

Employees have well attended training courses, and it may be the most interesting indication to observe the dynamism of those people in the underdeveloped areas and to see how interested they are when the slightest hope of improving their lot is given to them, and the efforts and the sacrifice to which they will readily agree for their own development and for the greater general development of their environment.

Everyone understands today the problem of agriculture cannot be solved unless that economic stability is arrived at throughout the territory, because a farmer needs that marketing; he needs urban centres growing within his territory which become a market for his products; he needs in many cases to find non-agricultural or seasonal work in industries which could help him to round out his income and make it possible for him to earn a decent living for his family. That is what I call meeting the cost of progress.

Our territory is very well endowed with assets and possibilities. Father Lebret said that we have a lot to learn from what we call underdeveloped countries. Such is the case for the areas whose fundamental qualities and assets must be revalorized and which must meet the challenge of our ancestors who wanted to make of those 30 acres of ice and snow the second most industrialized country in the world and the one with the highest standard of living.

The Prime Minister of Canada said:

> In Canada, the pressures come from the north and south and not from the east and west, because our economic, social and geographic regional limits lie in the north and south. We have refused to accept the dictates of nature, economics and geography. We have built in the northern part of our continent a country which spreads from one ocean to the other and from the southern border to the Arctic ocean. Very few people in the world could have done that.

Well, we took up that challenge as a country. It is also true when it comes to a province; it is also true when it comes to a region. We have always wanted to take up a challenge to build a country. I cannot see why today we should give up those deep aspirations and keep only to what is understood, what gets along by itself, leaving the outlying areas to their lot under the pretext that it would be asking too much from the people to develop the whole territory.

The people want to take up that challenge. In the past, no one could see any possibility in the swamps of western Canada, and today it is the bread-basket of the world; important natural resources were discovered there and they are our pride and prosperity.

If there exists a territory with natural resources still untouched, with impressive water resources, which, on account of its location, is the doorway to the Atlantic markets and opens on Europe and America, it is indeed the lower St. Lawrence.

If there is a secluded part of the country where the people have kept unsullied the qualities of the great builders, and among other things an indomitable will to develop their own territory, if there is a country with a promising future, it is indeed the lower St. Lawrence.

Such a promising future is just beginning for this area, the cradle of our civilization, and the saying "Go East, Young Man" will undoubtedly be added to the traditional "Go West".

[*English*]

Mr. Deputy Speaker: The hon. member for Northumberland.

Hon. George Hees (Northumberland): Mr. Speaker, along with the other members who already have spoken in support of this fund for economic and social development in rural areas, I should like to say that properly administered I think it can be a very excellent thing for the farming communities of our country. I see that in this bill provision is made for a fund of $50 million and that the

aim of the measure is to help the depressed agricultural areas in which this type of assistance is needed. This measure will be spread over ten provinces, and it seems to me this $50 million will have to be spread very thinly indeed in order to cover the areas in which it is required.

I hope this is just a preliminary amount and that the government will see to it that additional sums are made readily available as they are needed, because I am convinced they will be needed before very long. I should like to ask the minister a question, which I hope he will answer when he makes his summation at the end of this debate. What is the yardstick which the government is going to use in deciding which areas will receive this very much needed help?

I have in mind my own riding of Northumberland, and areas there which I believe to be very much in need of aid through this measure. I should like to know from the minister just how the decisions will be made as to which farming areas will receive this kind of assistance, and which will be excluded from it. During the election campaign the government claimed that the intention in this measure would be to take the people off the farms they are working; develop those farms into larger units, and then sell the larger units back to the farmers. The people whom I represent are not in favour of that kind of move, because they do not wish to be taken off their farms.

When they are removed, where do they go? They have no choice but to move to the city. With the new automated system into which we are moving more and more every day, one needs special skills in order to take a place in our factories in this automated age. People who have come off the farms will be at a great disadvantage in finding an opportunity to make a livelihood without having had the type of training which is needed. What the people whom I represent wish is to remain on the farms where they are today, and receive financial assistance in the way of farm loans at reasonable rates of interest, and farm loans which can be obtained without the many obstructions which are put in the way of our farmers today.

I have found that in many cases unfair restrictions are placed in the way of our farmers who desperately need financial assistance in order to buy the additional land which is needed to have an economic farm, and to buy the necessary machinery so that they can farm it economically. I hope the main purpose of this measure will turn out to be the encouragement of our farmers to remain on their farms and to enlarge the size of their farms by the purchase of additional land, and the additional machinery which they need. I hope they will not have to move off the farms so that the government can take over their land, change it in various ways, and then at some later date, after they have displaced the people, sell it back to them.

I hope this plan will make it possible for people to maintain the family farm of today. Enlarge it if necessary, but maintain it. I am convinced this is the basis of our agricultural life, and indeed the basis of our true Canadian society.

• (9:00 p.m.)

We must make it possible for our young people to remain on farms. To do so we must make loans available to them at reasonable rates and without impediments. In this manner they will be able to carry on the traditions of their families by doing the work they are best suited to do, and like to do. They will not have to move to towns and cities to work in factories, but rather remain in the areas in which they were born; which they know; and in which they wish to live.

As we all know, our farmers need financial help today in order to be competitive. This help should take the form of reasonable loans so that they can purchase the machinery necessary to farm economically, and overcome the cost-price squeeze in which they find themselves at this time. Those of us who are associated with farmers, and have the honour to represent farming communities, realize that farmers are caught in a vicious cost-price squeeze, because the prices they receive for their products remain stationary, or continue to go down, whereas the cost of supplies, machinery, and other things they must purchase on a day to day basis continue to go up. The return they receive for the capital they expend is getting less and less.

This bill calls for the setting up of advisory committees. I hope the minister when he concludes the debate, will explain how these committees are to be set up, and what type of personnel they will contain. In this regard, I should like to mention something I found to be very useful when I was in the government some years ago, as minister of Trade and Commerce. We wanted to know how best the businessmen of this country could expand our exports. To obtain this information, we held a series of conferences in various parts of the

country, to which we invited businessmen. These businessmen, and the departmental heads, discussed this subject intimately and in detail. The businessmen explained the difficulties they faced, and asked us how best they could be solved. The departmental officials advised them, in turn, about the assistance available to them through the Department of Trade and Commerce.

This procedure could very easily be followed with beneficial results to the government and to the farmers of this country. Meetings could be held in the important farming areas all across Canada. Farmers could be invited to attend for the purpose of giving advice which could not readily be obtained in any other way.

When these committees are set up, I hope that the farmers whose operations may be affected by the provisions of this measure, will be given good representation, because I am sure they can provide useful and practical information. Only in this way can this measure be as efficient as it is intended.

I hope this measure will be accepted and begin to function as quickly as possible, because it is a good and useful one. Many good suggestions have been made by hon. members in all parts of this house, and I hope the minister will make use of them for the benefit of the farming community of Canada. I feel his approach to the problem is good, and I am sure he will take advantage of the many suggestions that have been made. I am very pleased indeed to give my strong support to this measure.

• (9:10 p.m.)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, having listened to hon. members of various counties, we can easily understand that even though pilot-areas are located in our province, there are others which are not considered as such but where the hon. minister could certainly find as much poverty as in any of the so-called pilot-areas.

This afternoon, the minister dealt rather at length with the poverty which exists in many rural areas of our country. In fact, the department, which is under the minister's jurisdiction spent several million dollars to discover the poor.

They forgot, Mr. Speaker, to spend millions of dollars to relieve them. To discover the poor is one thing, but to relieve their poverty is another.

A few moments ago, I heard the hon. member for Norfolk (Mr. Roxburgh) telling us about the poor in his constituency, one of the richest in Canada and the hon. member for Charlevoix (Mr. Asselin) talking about the need to attract tourists in his constituency and asking the minister to direct tourists toward Charlevoix. He stated with reason, that the Lower St. Lawrence, the Charlevoix area, is one of the beautiful regions of the province. The hon. member for Rivière-du-Loup-Témiscouata (Mr. Gendron) emphasized the importance of farm product marketing. I do not think the problem lies there. Farmers who are sure of selling their products are able to market them.

They have to be sure that they will sell their products at a profit, so that it will pay them. Nobody can blame a farmer who decreases his production or gives it up when he realizes that it does not pay. This, to some extent, is what is happening not only in one area but throughout Canada, except in the west where the government guarantees to western farmers the sale of their wheat at a profit. We do not enjoy the same privileges in eastern Canada.

I come from a mining area where 30 years ago, settlers were established on uncleared lands. The legislation was then known under the name of Colonization Act. We then had the Rogers plan in Ottawa and the Auger plan in Quebec and the federal government had developed jointly with Quebec a plan for those who wanted to settle on farms.

Well, thousands of families came to settle in Abitibi, in the vicinity of Chapleau county and my own county of Villeneuve, in 1934, 1935 and 1936.

Mr. Speaker, after 30 years of labour on these farms, it has just been found, in 1966, that there are poor people living there. It is important to consider now if it would not be wiser to guide them back to urban centres. The study that could be made today would not take long, because 30 years ago, we had settlements of 200 to 250 families while now—and I invite the minister to come up for a visit to my area—in these same settlements there is not even half the population there was in 1935. At that time, both governments, federal and provincial, had a settlement program under which the settlers were paid from $10 to $15 per acre of cleared, tilled and seeded land. These people were dying a slow death.

Nowadays, most of those remaining in those agricultural sectors have to work in our cities, in our mines and other industries in order to support their farms because the land no longer feeds the farmer.

Now the minister tells us that he has found out poor people in those settlements and in the agricultural parishes. Kindly take note of this. Some members of Parliament claim, as we were told last night on the C.B.C. radio network, during the news report: "Settlers live in slums and shanties; the Abitibi settlers are unhappy".

The settlers of Abitibi are no more unfortunate than those of Lotbinière or those of Montreal who live in shanties. Our settlers are as respectable as any of those people. They are getting bad publicity. There may be some poor people but in comparison with other areas, there are not more in our area than in Montreal or in Rivière-du-Loup-Témiscouata, Charlevoix, Lotbinière or in any other agricultural riding of the province.

There is in our northern area an exclusively agricultural county, that of Témiscamingue, which has perhaps the best farming land in the province of Quebec, and there again the farmers experience difficulties. Why? The farmers do not want to work. Their farms are not large enough. I heard the premier of the province of Quebec mention this fact on television. It is intended to reorganize the farms, to create collective farms, since an area of 100 acres is not large enough to ensure the livelihood of a family, but most of these farmers have no more than 40 to 50 acres of arable soil ready for production.

If we could only assure the farmers and the settlers that they can sell their products and earn a profit, Mr. Speaker, the farmers in Quebec and in eastern Canada would undoubtedly double, triple and quadruple their production in a few years.

The minister indicates that it is so. Then, why spend hundreds of millions of dollars to say that we are looking for the poor whereas we should spend those millions to assure the sale of their products? He was saying that we must be able to expand markets. We are told every day, every week and every month that two thirds of the world are underfed, that people in India are underfed, and they tell us in the House of Commons, in Canada, one of of the most affluent countries in the whole world, that we must find markets for Canadian farm products.

[Mr. Caouette.]

Mr. Speaker, it is a shame to hear such statements in the Parliament of one of the wealthiest nations in the world. It is neither the markets nor the market possibilities which are lacking but the financing which would secure the sale of the farmer's products.

The Minister of Forestry knows very well that I am right on that point. Let us guarantee the farmer the sale of his products and you will see a decrease in the number of the poor in the rural areas of our country. This guarantee of sale of the products, Mr. Speaker, will put a check on the desertion of family farms, prevent the creation of community farms, and a farmer on a 100 acre-farm will be able to do well and even have employees.

We have seen community farms in Russia: Their agricultural production has been decreasing year after year for the past ten years. In Canada, because of the family farm, our agricultural production has increased.

Today, in Quebec, we do not produce 50 per cent of the consumption of our province. It is said that we lack markets, openings. Let us be reasonable. Let us use our brains and organize agriculture on a viable base which will allow the agricultural class to live like the other classes of our society.

Bill C-151 stipulates that an amount not exceeding $50 million is to be earmarked for agriculture to help farmers throughout the country.

Mr. Speaker, when we are at the point where farmers, not only in Abitibi, Rouyn, Val-d'Or and La Sarre, but in all the province of Quebec, leave their homes in winter to work as lumbermen in Abitibi and in northern Ontario, we wonder why. But it is to earn money, because the farm does not give them enough for their living.

The minister does not speak about that. I see the member for Charlevoix; he has the same problems in his riding. There is not a single member here, who has rural areas in his riding, who does not face the same conditions, the same problems. We spend our time trying to find out the poor among the agricultural class. For 20 years, we have known that agriculture is poor, we have heard about poor farmers.

We are presented a program establishing at not more than $50 million the amount to wage war against poverty. His Eminence Cardinal Léger said it on television: We have been talking about the poor and poverty for a long time and yet nothing is done to relieve

them. Whatever programs we create, they will give nothing if we do not guarantee the sale of agricultural products in Canada.

• (9:20 p.m.)

This is the only way. Besides, it is the only method followed by this government and even by former governments, to assist agriculture in western Canada. The sale of wheat was guaranteed in the west; let us do the same thing in the east. We do not know what to do with foodstuffs, we are afraid of a surplus. Let us build refrigerated storage instead of paying inspectors to go and find the poor. Let us build refrigerated storage to store foodstuffs in case the people of the world would need them and, of course, first the people of Canada, our country that we are developing and building.

Mr. Speaker, this ARDA plan as that assistance to redevelopment is called: An Act to provide for the establishment of a fund for the economic and social development of special rural development areas. All areas are special in eastern Canada.

The hon. member for Charlevoix mentioned that in his area, the government is not too quick to help fight poverty and he insisted on the fact that his riding is a wonderful touristic area, that the minister should tour his county in order to assess the possibilities for a tourist industry. He is right, that is a beautiful area. However, I would like to point out to the hon. member that the finest lakes for fishing are located in my area and also the best trout. This is why each year Americans and a good number of Canadian citizens come to my riding. But this is not the answer to the problem.

Mr. Speaker, the matter of farming does not concern only one group in a riding, it concerns all farmers.

I want to speak again of my area. It has good fertile lands. We do not have only sheds, log cabins as some would want to believe or try to make us believe, but there are agricultural opportunities in Abitibi. This is proven by the fact that Abitibi has existed since 1908, 1909. People who live there all the time have not always worked in mines; they lived off agriculture during the years 1920, 1921, 1922. The first mine to be opened in the north, at Rouyn, dates back to 1925, when the Noranda mine started its operations. In the Amos and LaSarre areas, we had farming and forests. The land was beautiful and our farmers had big herds in Abitibi as elsewhere in other provinces.

But, when sales in the dairy industry no longer pay the farmers, when costs of dairy products exceed selling prices, everyone can understand why the farmers want to get rid of their herds. When it cost more to fatten a pig than it brings in, can the farmer or producer be blamed for doing so?

Farmers are forever being blamed: he has no talent, he does not have enough education. All sorts of nonsense is spoken about the farmers but, Mr. Speaker, I say so again before closing, the only way to help them and the rural people, in every province throughout Canada, is to guarantee the sale of their products.

Let us put an end to expenses in search of the poor, and instead, let us find a way to sell their products and encourage the farmers. You will see that the settlers, the farmers are able to organize their production according to the demand. All the government has to do is see that the products are sold. The farmers do not need the Prime Minister (Mr. Pearson), nor the hon. Minister of Forests, nor ARDA, to tell them what to produce when there is a demand and they are sure of selling their products.

You will see that farmers can organize production when they feel it is possible to sell their produce. And the same thing goes for stock breeders and dairy farmers. If there is a chance for milk sales to double, herds will be doubled within a few years. Two hundred and five hundred acres will not be needed.

A farm of 100 acres can provide livelihood for a family. It has done so in the past when there was a chance to sell its produce. You will see that the family farm could survive and be profitable to the farmer, and thereby to the whole of Canada, for, at long last, we will have brought balance to the economic life of the farmer, and he will stand on an equal footing with other classes of Canadian society.

Mr. Jean Berger (Montmagny-L'Islet): Mr. Speaker, it is quite obvious that those who are familiar with the riding of Montmagny-L'Islet cannot but warmly and sincerely welcome this bill introduced by the Minister of Forestry (Mr. Sauvé) and entitled: an act to provide for the establishment of a fund for the economic and social development of special rural development areas.

If you allow me a little aside before starting my remarks, I should like to call attention to a remark of the hon. member for Villeneuve (Mr. Caouette). He attempts to condemn this bill by suggesting that funds

are being earmarked for a poor hunt, meaning farmers. If he only takes the trouble, he will realize that even though the present government has not accomplished everything it intended, it has nevertheless accomplished a great deal especially by giving the country the best dairy policy since confederation.

We also have a program providing for the establishment of a feed grain purchasing and distribution agency for eastern Canada. All those measures are designed to help agriculture, but the main reason why I am interested in agriculture as a whole, is because provision is being made for the establishment of a $50 million fund, in addition to the $125 million available to us under ARDA.

I think that all fields should be looked into. At present, I am concerned with all matters pertaining to agriculture.

Before starting my remarks, I wish to say that I heard the hon. member for Villeneuve quote Cardinal Léger. On the same occasion, His Eminence Paul-Emile Cardinal Léger said about war on poverty something that should be noted:

> As desirable as may be a strong state intervention, so should be rejected the idea that everything should be expected from the state and that it is sufficient, in order to eliminate poverty, for every individual to seek quietly to enjoy as much as possible the largest income possible, entrusting with the state alone the care of looking after the outcasts of fortune. The delusion that a brotherly and orderly human society can be established on that basis must be denounced. In the war on poverty, public authorities should therefore take strong action, but should allow programs resulting from private initiative, which are also necessary, to come into being and to progress.

This is what the cardinal said about war on poverty.

• (9:30 p.m.)

It is not claimed that this legislation will of itself solve all problems: along with others which already exist or which are being prepared, it will help not only the farmers but all levels where some unbalance is to be found.

Naturally, it is realized how popular a program ARDA is. Everyone applauded when it was introduced. I think it was the hon. member for Springfield (Mr. Schreyer) who said that after five years, he had some doubts; he felt that ARDA was possibly not progressing fast enough. He was not alone. We too may have felt for a time that ARDA was a cure-all for every ill and possibly quicker-acting than we thought.

[Mr. Berger.]

But in view of the seriousness and the scope of the problem, it is quite evident that the greatest caution must be exercised.

The hon. member for Villeneuve (Mr. Caouette) himself stated that legislation adopted 30 years ago may have been instrumental in establishing municipalities on crown lands that should have remained as such. Villages were founded all over and unfortunately, it is realized today that such villages possibly should not have been founded but that the areas should have been maintained as timber lands. Such things have happened in most ridings I have had the pleasure of visiting, in which I have stayed, lived and worked on the north shore of the St. Lawrence as well as on the south shore. Such legislation, it is being realized today did not produce the expected benefits.

It is obvious that with such a program as ARDA, with its scope and with all the assistance it is intended to bring forth, we must proceed cautiously.

That is why, in closing the debate, the Minister of Forestry, who is responsible for ARDA, will surely have the opportunity of replying to the observations that have been made.

But as far as I am concerned, I should like to join with the hon. member for Rivière-du-Loup-Témiscouata (Mr. Gendron) and others to say that we, too, are interested in the adoption of this particular bill. Obviously, if the legislation provided for an increase of $100 million instead of $50 million, everybody would be happier still. And when I say this, I am casting an eye toward the Minister of Finance who would undoubtedly not smile so readily if his budget were to be encumbered more than he can afford at the present time.

I come back to this point. When the topic is the farm situation, you can be sure that I am interested, not so much because I was brought up in the riding of Montmagny-L'Islet and have returned, there, but because, due to close co-operation with the South Shore Development Council, which is mainly concerned with the activities in the counties of Bellechasse, Montmagny-L'Islet and Kamouraska, we see various problems arise on several occasions.

Obviously, like many others, I am not too happy sometimes to be part of a so-called designated area or an area which is not quite able to meet all its wishes and aspirations.

Nevertheless, when we must face problems, it is up to us to consider them seriously and to establish priority needs. Agriculture, on the shores of the river, in counties such as Montmagny-L'Isles, Bellechasse, Kamouraska—and I would go as far as Témiscouata—faces very complex problems, because if farms are fine in the lower part of the county, when you get to the heart of the district—and the Minister of Forestry is aware of this, since he went out there and met with the local people—the problem of agriculture arises. There has been a suggestion about a reforestation program or an improvement program, through the development of parks that could be used by hunting and fishing clubs, thus allowing everybody to practise those sports. There is a program which, I am sure, concerns as much the neighbouring riding of Kamouraska as mine. Through ARDA, we foresee the possible improvement of the touristic industry, not only the domestic travelers but visitors from the neighboring United States, by developing access roads to Eastern Lake which, in passing, is very interesting and most important, being partly on Canadian territory and partly on U.S. territory. There are surely many things to be done there.

Speaking of reforestation, I am convinced that ARDA can certainly help us in the best possible manner. It may be, in a few years, the only lasting solution which will allow us to protect our lumber industry, the most important economic element of our constituencies. I am thinking of the sawmills on the upper limits of the ridings along the American border which, nowadays and for a few more years, must bring in their supplies of raw materials almost exclusively from the American side.

Under the Canada-United States project for dredging or harnessing the St. John river, these sources of raw materials will disappear within an indefinite number of years. That is why it is very urgent, considering the seriousness of that suggestion, of that agreement between Canada and the United States for the harnessing of the St. John river which is under study, to think now about protecting our forests, if we want to keep that industry of vital importance to most of the region all along the St. Lawrence.

Unfortunately, some of our forests have been plundered; I do not blame anyone here in particular. There is certainly legislation which should have been passed before, either at the provincial or at the federal level, but I can scarcely mention it because I am not now asking myself whether what was done in 1962 or in earlier years was right. We are now in 1966 and we must look to the future to be sure that in 1966 and until 1976 at least, we have checked this danger sapping all our natural resources. To a certain extent, that is the reason for measures such as the one we are discussing to-night.

Mr. Speaker, this bill interests me because I see that it means to increase revenue and employment, raise the standard of living and, above all, provide for the participation of the inhabitants of the region in the implementation of such a program.

That is another commendable factor which should be mentioned and which will help to reassure our young people, to set them up or to resettle them by giving them the benefit of the experience of older people, their parents who, as pioneers working these strips of land, managed to make them productive in spite of changing times and hardship. If young people still wish to live where they were born, where their home is, they and those who are less young will, under similar programs, be able to participate themselves in the struggle of their region for survival. Let us extend this to the provincial and national level and we will be sure of reaching our goal.

This is not what I call a war on poverty. I believe it is a well planned and orderly way to look at our production and examine our future needs.

Can we blame a government or a department, be it the Department of Agriculture, that of Forestry or the one responsible for ARDA, for insisting to tell people who desperately want to stick to a strip of land which is not really one but rather an expanse of rock, that in spite of their insistence and their obstinacy, they will never be able to grow the products they want to sell or need for their subsistence?

Then the time has come for the government to help those people through appropriate legislation. I am not saying that those people have to be moved and dragged all over the country, but it is certainly our duty to concern ourselves with the people living in areas where there is no means of subsistence, so that they are not ruthlessly uprooted. But if they are now classified as farmers without really being so actually, they will never be.

Why not let them benefit, under ARDA, from the advantage we enjoy for reforestation work? That would give work to all the people concerned and would ensure the devel-

opment of a heritage so very important in an area like the one I have the pleasure of representing here. That would enable us to bring about improvements in every respect and in every field. It is this flexibility of ARDA which will enable us, when the very necessary studies which are under way have proven the foundation of certain measures, to work more wisely and particularly more seriously without having to boast of any action of our government.

It does not necessarily endeavour to find where the poor are, but it tries above all to bring them relief. And in this field of help to the needy, the party to which I have the honour to belong is certainly not the one which has done the least since confederation. Anyway, there always remains something to be done. Through conscientious work, not by always doing the same thing and distorting the facts we shall succeed in accomplishing something for the poor people. In fact, it always comes back to the dollar sign. It always ends up the same way. It is always the same tune. If we lend an attentive ear it is always the same tune, the same song.

If the bills presented to our attention do not always completely fulfil our aspirations, we can always try to improve them somewhat. But it is nevertheless a new landmark which will allow us to follow a safer path, which will allow us, without political distinctions, to further our social, cultural and economic development to its fullest extent if we wish to have a more prosperous and stronger country where it will be good to live.

• (9:40 p.m.)

The county of Montmagny-L'Islet which, according to the new redistribution of seats, is to disappear—it will remain the same in length and breadth—to the advantage of surrounding counties in which it will eventually be incorporated, will become one of the most prosperous counties, where this dangerous downward trend will have been stopped and in which production will start again.

I wish to congratulate from the bottom of my heart, on behalf of my constituents, the Minister of Forestry for having introduced a bill which will certainly make our work more pleasant and more effective.

I thank you, Mr. Speaker, and I apologize for having taken so much of your time.

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, may I ask a question of the hon. member for Montmagny-L'Islet?

[Mr. Berger.]

The Acting Speaker (Mr. Rinfret): Does the hon. member for Compton-Frontenac wish to ask a question of the hon. member for Montmagny-L'Islet?

Mr. Latulippe: Yes, Mr. Speaker. Would the hon. member tell us who led the people into poverty, who brought poverty, who ruined the economy of the country, who did all that?

Mr. Berger: Mr. Speaker, it should first be proven that we have reached a point that calls for such pessimism as I have just heard from the hon. member, to which I do not agree at the outset—

The Acting Speaker (Mr. Rinfret): Order. The hon. member for Queens.

[*English*]

Hon. J. A. MacLean (Queens): Mr. Speaker, in rising to take part in this debate I will try to be as objective as possible. It is not of much interest to me which government belonging to which party had the best or the worst record with regard to the rural problems of Canada. I think we all recognize that there are rural problems.

I want to base my remarks on the problems existing in the maritime provinces chiefly, but my references will be directed almost exclusively to Prince Edward Island, and what applies there in most cases equally applies to the provinces of New Brunswick, Nova Scotia and to a lesser extent Newfoundland.

In the maritime provinces agriculture and the primary industries are a very important part of our economy. The primary industries of agriculture and the fisheries are the mainstay of our economy. Yet if we examine the over-all economy in the maritime provinces, what is the situation we find? We find that the population in the maritime provinces imports—and I use this term in the sense of bringing products into the area, not necessarily from outside the country—about half of its total meat requirements.

If you go into a shopping centre in the maritime provinces, Mr. Speaker, you will see foods that could be produced in the maritime provinces but which have been imported from all corners of North America. You find turkeys from California, carrots from Texas, apples from British Columbia, and so on.

In addition to this the agricultural economy of the maritime provinces imports great quantities of feed grains from western Canada;

and there is a place for them up to a point. We also find that in the last 50 years the maritimes have changed from producing an important portion of their flour requirements to a situation today in which virtually all flour requirements are imported from western Canada.

It is true that in Prince Edward Island especially, and also in New Brunswick, there is trade in the opposite direction in food products, chiefly potatoes, which are exported in large quantities to markets in central Canada and the New England states. In the past number of years the provincial governments have also made a great effort to develop frozen food industries, and they are helping the economy to a considerable extent.

What is happening to agriculture in the maritime provinces? Why is this great importation of food necessary? Is it that the potential agricultural production in the maritimes has already been fully exploited? You would imagine, Mr. Speaker, that that is probably the case, but in actual fact it is not the case. In my own province of Prince Edward Island, which depends to such a very great extent on agriculture, the situation has been a very discouraging and disappointing one over the period of the last 30 to 40 years.

I should like to quote briefly from a very excellent publication known as memoire No. 9, produced by the geographical branch of the Department of Mines and Technical Surveys, 1962-63, with reference to land use in Prince Edward Island. This publication points out that between 1911 and 1956 the Island's acreage of improved agricultural land decreased from 769,000 acres to 645,000 acres, or approximately by 16 per cent. In other words, over that period of time 16 per cent of the agricultural land in Prince Edward Island has been abandoned. In addition, the number of farms has decreased between 1941 and 1956 from 12,230 to 9,442.

This is to me, Mr. Speaker, a shocking decrease in the use of the agricultural potential of that small province. Naturally the question we need to ask and to which we should find the answer is: What is the basic root cause of this situation?

A number of factors can be cited. There are of course the economic causes, such as small farms which had served their purpose during the pioneering stage of subsistence living but which were unable to make the transition to a commercial operation which was viable. But I believe there are other causes. For example, I am concerned with rural blight. I have noticed that when a rural area becomes depressed a cumulative effect sets in and the economy of the area becomes depressed. It becomes more difficult for that area to carry the necessary facilities to maintain a reasonable standard of living, such as provision of good schools and so on. The educational level of the people drops and they become discouraged. The more ambitious of them, or at least the more discontented, emigrate from the area, which becomes depopulated as a result, making it more difficult for the people who remain to carry on supporting community requirements such as schools, churches, roads, telephones, power lines and so on. You have a spreading malaise within the area which, once it starts, is very difficult to cure. There has been a tendency by all governments over the years, I believe, to fail in their attempts to get at the root cause of this problem. There has been a tendency for agricultural departments to follow the doctrine that: To him that hath shall be given; and from him that hath not, even that which he hath shall be taken away. What I mean by that is that the agricultural departments over the years have been concerned chiefly, or to a great extent perhaps, with the better types of farmers—the farmers that tend to go to them for information.

• (9:50 p.m.)

At the lower end of the scale there are the completely discouraged, poorly educated, depressed farmers who have given up hope almost entirely and who have failed. They have become so cynical in their attempts that they have failed to seek advice of a technical nature from agricultural departments which are doing their best to bring about better methods of farming and to bring about all those other things that would lead to a better life for others.

There is a tendency for government services to be provided—I mention services such as rural electrification, and so on—for those areas that have the greatest number of people, where such services can be put in with a minimum of outlay. The result of this is that thinly populated areas which need encouragement and stimulation are the last to be considered, and the last to be served. This has further discouraged the backward agricultural areas, with the result that even in a province such as Prince Edward Island, where agriculture is of such importance, and

which has been almost totally settled, there are places—in my constituency, and in other counties to a larger extent—where in a school district that in living memory had perhaps 30 students going to a one-roomed school, today has not a single resident. The whole area has been permitted to grow up in scrub. This is a very discouraging situation, and a very unfortunate one. I believe we are nearing the point when we shall require all the usable agricultural land of this country to help supply the food needs of North America, not to mention the food needs of the underdeveloped and overcrowded parts of the world.

I would suggest, Mr. Speaker, that this, as well as the ARDA program, is a new approach to the realization of the fact that previous programs have not met the problem of rural blighted areas.

I commend this legislation. I think it would be folly to expect it to be a cure-all for all ills, but I think it is a step in the right direction. I think one of the most important things that has to be done is to revive the self-confidence of the people who want to live in the country by agricultural or other rural pursuits. I believe this can best be done by setting up pilot operations. For instance, if an area has become blighted, I think it would be well, as an administrative project, to buy up the required amount of land to create an economic farm unit, and to put a young, well educated farmer on that farm, giving him some sort of incentive under a buy-back program to buy the farm so that he could demonstrate not only that certain things can be done, but that they can be done economically, thereby proving to farmers who want to carry on a modernized farming operation but who hesitate to do so because they have to borrow most of the money, that the operation can be made to pay off.

That is a responsibility that we have if we believe in what we are trying to do. It behooves us to prove the point that farms can be economic. Otherwise the confidence of rural people will be further destroyed, and they will hesitate to take advantage of programs which may be envisaged by those who are in government and who are conscientiously trying to do a good job, but who, unlike the farmer, have not any of their personal livelihood at stake, and who are living on a guaranteed salary.

After all, in this day and age it takes a large investment of something like $40,000 or $50,000 to operate the average economic farm, and even that is a fairly small operation. It has to be demonstrated that it is good business, nevertheless, to borrow most of this money. It has to be demonstrated that if a farming operation is carried out with the most modern methods, with industry and good intelligence, a livelihood—and not just a poor livelihood, but a reasonable livelihood—can be earned for a man and his family, so that they can look forward to the future with the expectation of being able to educate their children, at least through high school, so that they can have some of the amenities of life, and so that they can live in a reasonable house with a reasonable standard of living somewhat comparable to that of the lower income brackets in the average city.

[Mr. MacLean (Queens).]

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, may I call it ten o'clock?

Some hon. Members: Agreed.

[*English*]

BUSINESS OF THE HOUSE

Hon. G. J. McIlraith (Minister of Public Works): I wonder if I might announce the business of the house now for tomorrow and Thursday. We should like to start tomorrow with item No. 5 on today's order paper, the continuation of debate on Bill C-151. Then we should like to take item No. 12, second reading of the bill to amend the Northwest Territories Act, then, second reading of the bill to amend the Yukon Act. Then we would take the Forestry estimates, the Labour estimates, the Post Office estimates and the Industry estimates.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

AGRICULTURE—REQUEST FOR PROTECTION ON GRADE STANDARDS

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on May 4 I addressed the following question to the Minister of Agriculture:

Mr. Speaker, I wish to address a question to the Minister of Agriculture. Would the minister mind, for the information of members of this house, having a pamphlet issued by his department informing consumers what is being done by the

Department of Agriculture to protect consumers with respect to grade standards in all types of agricultural produce?

This should also include the words "distributed to members of this house".

I shall have to make that a correction in *Hansard*. However, I am quite sure that the parliamentary secretary understood the intention behind my always pure motives. I asked this question as a result of a meeting of the Agriculture, Forestry and Rural Development Committee. The minister was present at the meeting, and some of the officials were answering questions with respect to literature and information that was published by the Department of Agriculture for the information of consumers, dealing with the work of the department in connection with the establishment of grades for all types of agricultural produce, for instance, meat, beef, mutton, other meats, fruits, vegetables, honey and so on.

• (10:00 p.m.)

They also informed us of the inspection services undertaken by the Department of Agriculture to protect consumers across Canada, so far as possible with the staff available. I thought it was a very interesting and informative morning. It was for that reason that I asked the minister this question, but once again the Speaker failed to recognize the urgency and importance of the question, and I was referred to this late hour to discuss it. Anyway, I am quite glad to have the opportunity to speak for five, six or seven minutes instead of for one minute.

I mention this because I am quite sure there are many people in Canada who do not know of the services provided by the department, and of the literature and information that is available. In the first instance, I thought it would be a good idea for members of this house to understand this, because many members do not understand what is being done by the Department of Agriculture in this respect. This is why I ask whether the minister could distribute this pamphlet to the members of the house.

Naturally there is need for co-operation between the department and its officials, and consumers generally across the country. I am simply rising to bring this to the attention of the house and to suggest that a particular effort be made to send this literature not only to consumers organizations, which normally are found just in the larger centres—you do not find them in the smaller towns or villages —but also to farmers institutes, women's institutes, all sorts of agricultural organizations at the local level, chambers of commerce, trade unions, co-operatives and other community organizations of that type.

I believe it is important that more people know about this legislation and understand it. We must realize that the wife of a trade union member is just as interested in knowing what is being done in this respect as is the wife of a farmer, or of a member of a chamber of commerce, or of a member of some other organization. For that reason I rise to bring it to the attention of hon. members, and once again to urge that a particular effort be made to inform the consuming public of the services now available from the Department of Agriculture.

I know there is co-operation between consumers and officials of the department, but not to the extent that could be possible. I know of one instance where a man went down Elgin street in Ottawa and saw some apples on display in a store. They were obviously what we call in B.C. jumbo packed. It was a normal grade of apple, but not a fancy grade. However, these apples had been taken out of the box and put in small piles, with a card reading, "Extra fancy B.C. apples."

In this case the man knew something about grading apples and immediately got in touch with the Department of Agriculture. Within an hour and a half officials of the department went to the store and stopped this practice, which was an attempt to sell low grade apples at a high price. I am not going to say any more about this tonight, but I do feel that this is a service that can be improved, not only to the advantage of the department but to that of all whom it is intended to serve.

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is always a pleasure to have the opportunity of answering a question put by my fellow alumnus, the hon. member for Kootenay West (Mr. Herridge). I am particularly happy that he has brought this important question to the attention of the house at this particular time.

One of my earlier experiences and my first opportunity to see western Canada was in 1937 when I had the duty of looking after a Canadian Department of Agriculture exhibit, following the class A circuit in western

Canada. In that particular exhibit we had one section which was devoted to the consumer and which suggested that the consumer should always buy by grade. I recall quite vividly the sections of the exhibit which dealt with canned fruit, canned vegetables and so on, which were packed in various grades such as fancy quality and others. Then there was a section which dealt with the grades of eggs which were available to consumers at that particular time. So, my early experience is in keeping with the question which has been asked by the hon. member for Kootenay West.

I am particularly happy to be able to say tonight that the department has undertaken to prepare a compendium, if you like to call it that, of all the grades affecting products such as have been mentioned by the hon. member. This will be available in the near future and will be available for fairly liberal —fairly free distribution.—

Mr. Douglas: Be careful.

Mr. Beer: —to consumers and to members of this house. It will be available for wide distribution, and I think this is a publication we all look foward to having in our possession. I believe it will be most informative on the matter of grades of farm products and other products which are available to the consumer.

[*Translation*]

FINANCE—REDUCTION IN DEPRECIATION MOBILE EQUIPMENT

Mr. Fernand E. Leblanc (Laurier): Mr. Speaker, on April 13, the Truckers Association of Quebec Inc. sent the following telegram to the Minister of Finance (Mr. Sharp):

> Urgent Stop Reduction of depreciation rate on spare parts of automobile equipment from thirty to 20 per cent will seriously affect already weakened financial position of trucking industry Stop Earnestly request reconsider maintaining present 30 per cent depreciation rate for replacement truck, tractors and trailers Stop This is vital economic security factor Stop Announced budget provides no change in depreciation rate of competing railway and shipping interests.
>
> (Signed) Camile Archambault
> Truckers Association of Quebec Inc.

In addition, the Canadian Trucking Association Inc. which, like our Parliament, represents every province in the country, advises its members in its Bulletin of April 15, 1966 that in spite of the desirable objective of the government to restrain the demand for the production of services to reduce the pressure of inflation, the government has failed to solve the special problems of the trucking industry. The reduction of the depreciation rate on automobile equipment will increase the operating costs of some industries by raising taxes. The 11 per cent sales tax on tire recapping will also increase operating costs since manufacturers estimate that this change in the excise tax will increase cost from three to four dollars per recapped tire.

The federal government can surely not be accused of over-protecting the trucking industry, since the competitive railway companies have been enjoying since 1959 the bounteous gifts of that government.

It should be kept in mind that when the federal government affects the operations of the trucking industry, by the same token, it affects all the suppliers of that industry and I need not emphasize in this house the economic importance of that group. However, I would be remiss if I failed to point out that this industry represents a capital investment of over $1 billion in rolling stock and facilities, of which more than 90 per cent are controlled by Canadian interests. The industry directly employs over 125,000 people.

In 1964, I put on the order paper a notice of motion which was not discussed due to the time limit set for the discussion of private members' business. This notice of motion read as follows:

> That, in the opinion of this house, the government should not implement the recommendations of the royal commission on transportation, better known as the MacPherson Commission, which suggests, among other things, that railway companies should be free to set up a trucking system.

It is unthinkable that the federal government should subsidize an enterprise when the latter, thanks to those subsidies, enters into an unfair competition with a private enterprise which has all the required facilities to serve the country adequately.

The trucking industry has never asked Ottawa for special privileges. On the contrary, it kept on organizing its services to meet the ever increasing needs of Canadian shippers, and it contributed materially to the development of several regions of Canada. Wherever there are highways, the cost of which is partly paid by the trucking industry, there are trucks serving those areas.

• (10.10 p.m.)

In the United States and the United Kingdom, access of railways into the trucking field is prohibited, and the same should apply in Canada. Railway companies buying

trucking firms are surely not helping to solve the highway transportation problem in Canada, where a truly independent and competitive method of transportation by land must be maintained.

Parliament should set policies preventing the taking over of trucking firms by railway companies. Shippers should be able to choose between two really competitive land transportation methods. Shippers would thus be sure of getting better service. Besides, they can decide in favour of maritime or air transportation.

Our policy of grants to railways is really harmful to the trucking industry. Those grants make it possible to charge lower rates and undermine competition. They are the equivalent of a preferred treatment at the expense of free enterprise because they seriously endanger the growth of the trucking industry.

Of course there is no question of minimizing the importance of our railway system which is essential like all the other transportation systems to the economic development of our country.

Recently, the trucking association of Quebec Inc. submitted to the Quebec minister of transport and communication a brief which also concerns the federal government. In that brief, resolution 18 reads as follows:

The trucking firms must be protected against the railways having access to the field of road transport.

Whereas the trucking industry in the state of Quebec is operated now, as it is generally in Canada, by private enterprise and that it is essential to protect it against the subsidized competition of the railways;

Whereas the intrusion of the railways in the operation of road services would have serious repercussions as much for the users as for the professionals of the road;

Whereas in having access to road transportation, the railways compete ridiculously against each other and that this monopoly in piggy-back transport puts an end to any real competition;

Whereas the shipping public, the industrialists, the business people, the farmers, are not complaining about the quality of the trucking services now operated by private enterprise, without direct or indirect state grants; and that, on the contrary, important bodies such as the Quebec chambers of commerce have made known clearly that they favour private trucking in that respect;

Whereas it is necessary to give the public a choice between two separate transportation systems which really compete against each other;

Whereas the government of the province of Quebec in its brief to the MacPherson Royal Commission on Transport states in section 203 the following—

The Acting Speaker (Mr. Rinfret): Order. I regret to interrupt the hon. member but I must inform him that his time has expired.

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): Mr. Speaker, first of all, I wish to thank the hon. member for Laurier (Mr. Leblanc) for the excellent speech he has just made on the situation of the trucking industry. Naturally, we are very well aware of his desire to defend the rights of the Quebec Trucking Association and, as far as I am concerned, I would be inclined to share his opinion on several of the points he raised in his speech.

As for his reference to the telegram sent to the Minister of Finance (Mr. Sharp) on April 13, 1966, by the Quebec Trucking Association Inc., with regard to the lowering of the rate of the capital cost allowance for certain assets acquired in the course of the next 18 months, the department is giving serious consideration to the representations made by the Trucking Association of the Province of Quebec which, by the way, is very alert and always ready to defend adequately its members' interests.

It goes without saying that after serious consideration of this problem, I think the possible solutions will be put before the house, upon consideration of budget resolutions, which should be brought before the house soon. The hon. member could raise the matter again at that time, and if the minister has reached a conclusion with regard to this aspect of the budget, the policy of the government will then be made known.

Motion agreed to and the house adjourned at 10.18 p.m.

HOUSE OF COMMONS

Wednesday, May 11, 1966

The house met at 2.30 p.m.

PRIVILEGE

MR. FULTON—NEWSPAPER REPORT OF EVIDENCE AT ROYAL COMMISSION

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I rise on a matter of personal privilege.

Yesterday's edition of the Toronto *Globe and Mail* on page 8 contained an article with the following headline: "Fulton felt Sevigny was security risk but stayed in cabinet with him 2 years". It contained also the following lead paragraph:

> E. Davie Fulton acknowledged yesterday that he remained in the Diefenbaker cabinet with Pierre Sevigny for two years believing that Mr. Sevigny was a risk to the security of Canada.

It was only yesterday afternoon that I was able to compare the transcript of what I had actually said in evidence with the passage as quoted from the newspaper report. The headline quoted creates an entirely false and misleading conception of my position as outlined in the evidence I actually gave; and the lead paragraph is simply not true and is contrary to the position I took in my evidence.

Since the commission adjourned yesterday until Wednesday, May 18, this is my first opportunity to refute the impression created by the passages quoted. In my evidence, while I referred to the definition of a security risk, I also referred to the fact that in assessing the matter, account would have to be taken of the character of the person concerned, his loyalty to his country and the likelihood of his succumbing to blackmail.

• (2:40 p.m.)

I said in my evidence that in my view Mr. Sevigny was a man who would not yield to blackmail. I also said that after Mrs. Munsinger left Canada in February, 1961 I received no indications from the Royal Canadian Mounted Police of any continuing concern with respect to security, and that if I had I would have raised the matter again.

It should also be added that while Mrs. Munsinger was in Canada and after her association with Mr. Sevigny was known, evidence given before the commission disclosed that the R.C.M.P. officer in charge of the surveillance reported to his superiors that in his judgment there was no reason to continue surveillance from a security point of view. In my evidence I repeated that in arriving at a decision on this point of security risk the Prime Minister would properly take into account the factors of Mr. Sevigny's character, loyalty to his country, war record and family reputation, and that in my view on the basis of all these considerations, including the absence of any breach of security before or after December, 1960, the judgment to keep Mr. Sevigny in the cabinet was vindicated.

In the light of my full evidence it will be seen that the conclusions reflected in the passage I have quoted from the newspaper simply do not reflect my position.

Some hon. Members: Hear, hear.

COMMONWEALTH RELATIONS

TABLING OF COMMUNIQUE FOLLOWING MEETING OF LAW MINISTERS

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I ask permission of the house to table a copy of the communiqué issued following the meeting of the law ministers of the Commonwealth, which I attended together with two officials of the Department of Justice as representatives of the Canadian government. I invite attention to the text of the communiqué that states:

> The meeting considered that Commonwealth extradition arrangements should be based upon reciprocity and substantially uniform legislation incorporating certain features commonly found in extradition treaties, e.g. a list of returnable offences, the establishment of a prima facie case before return, and restrictions on the return of political offenders.
>
> The meeting accordingly formulated a scheme setting out principles which could form the basis of legislation within the Commonwealth and recommended that effect should be given to the scheme in each Commonwealth country.

The ministers discussed reciprocal arrangements concerning the enforcement of maintenance orders within the Commonwealth, and the meeting also agreed to recommend to the Prime Ministers that a small legal section be added to the Commonwealth secretariat to

Communiqué Tabled

perform the functions of a legal liaison office among Commonwealth governments. The discussions were notable in demonstrating the community of feeling and purpose that exists within the Commonwealth.

Subsequent to the conference I met with the Home Secretary and other officials in the office of the Home Secretary for the purpose of discussing matters relating to penitentiaries, the correctional system and senior police training.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, it is a pleasure to welcome the Solicitor General back to the house. He is one who has always been close to the law, and as a bencher of Grey's Inn I want to say that what I hear from the United Kingdom is that the Solicitor General performed his duties in a way that brought honour to our country.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: There is one matter to which I should like to make reference. The Solicitor General did not allude to it during the course of his report. I refer to the question of the establishment of a Commonwealth court of appeal. This concept has received support from time to time among various Commonwealth countries.

However, having had some experience in this regard my own feeling—and I think it represents generally the attitude of the bench and bar within our country—is that the establishment of a Commonwealth court of appeal would not be in keeping with the relationship of the Commonwealth countries one to the other and would not be generally accepted.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I do not propose to detain the house for more than a moment except to say that we are very glad to also welcome the Solicitor General back. We hope he has not exercised his vocal cords too much and that he will quickly recover the full use of his voice.

I just add this comment, that we believe this sort of conference indicates the value of a multiracial commonwealth; because it enables the Commonwealth, which is united by a respect for the law, through representatives of the law in various Commonwealth countries to receive the benefit of an exchange of opinions. I noticed, for example, that there was discussion of a Commonwealth court of appeal. It may well be that in this country we do not need any such court of appeal, having our own Supreme Court of Canada.

[Mr. Pennell.]

However, this sort of discussion and this type of institution may be useful in other parts of the Commonwealth, and we welcome the statement.

(*Translation*)

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we are pleased that the Solicitor General is back in Canada. We trust his vast experience will have helped to enlighten the representatives of other countries who attended this recent meeting.

(*English*)

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I join in welcoming the Solicitor General back to our midst. We know he did a good job, and we might say that we missed him while he was away from us.

In supporting the remarks which have already been made, Mr. Speaker, I would just add that the evidence which has been placed before us today of the progress made at this meeting further substantiates the position within the Commonwealth of the two great heritages that we have, that is British parliamentary government and British justice. We trust, Mr. Speaker, that this conference may help in the preservation and extension of these two basic factors of our way of life to all parts of the Commonwealth.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WORDING ON WOLFE'S MONUMENT, QUEBEC

Question No. 1,014—**Mr. Dinsdale:**

1. What was the wording on Wolfe's monument in Quebec city which was destroyed by separatist elements?

2. What is the wording on the new monument?

3. If there is any change in the wording (a) who authorized the change (b) what was the reason for the change?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I am informed by the National Battlefields Commission that the answers to the question are as follows:

1. Three plaques in English only which stated the following:

(a) North Side

Here Died Wolfe
Victorious
September 13th
1759

(b) West Side

The First Monument
Was a Stone Which The Army Rolled Here
To Indicate The Spot Where Wolfe Died In
1759

A Second Monument
Was Erected In
1832

The Third One Was Erected
By The
British Army Stationed In Canada
1849

The Fourth Monument
Reproduced The Column Of The Third
One With The Same Decorative Helmet
Two Inscriptions, And Erected By The
National Battlefields Commission
1913

(c) East Side

This Monument Was Erected By
The British Army In Canada
A.D. 1849
By His Excellency
Lt. Gen. Sir Benjamin D'Urban
Commander Of Forces
In Replacement Of The One Erected
By The Governor General Lord Aylmer G.C.B.
In 1832
And Destroyed With Pieces Remaining Under
Present Monument

2. The four plaques on the new monument have the following wording in the two official languages of Canada:

(a)

Ici mourut
Wolfe
le treize septembre
1759

Here Died
Wolfe
September 13th
1759

(b) West Side

Le premier monument
fut la pierre que l'armée même
roula ici afin de marquer l'endroit
où Wolfe mourut en
1759

Un deuxième monument
fut érigé en
1832

Le troisième momument
fut érigé par l'armée Britannique
cantonée au Canada
1849

Le quatrième monument
reproduisit la colonne du troisième
gardant les pièces de tête et deux
inscriptions, et fut érigé par
Commission des champs de bataille nationaux
1913

The First Monument
Was a Stone Which The Army Rolled Here
To Indicate The Spot Where Wolfe Died In
1759

A Second Monument
Was Erected In
1832

The Third One Was Erected
By The
British Army Stationed In Canada
1849

The Fourth Monument
Reproduced The Column Of The Third
One With The Same Decorative Helmet,
Two Inscriptions, And Erected By The
National Battlefields Commission
1913

(c) East Side

Ce monument fut érigé par
l'armée Britannique au Canada
A.D. 1849
par Son Excellence
Lieutenant général
Sir Benjamin D'Urban
commandant des forces
remplaçant celui érigé
par le Gouverneur général Lord Aylmer G.C.B.
et qui fut démoli en 1832
les débris du premier monument
sont enfouis sous celui-ci

This Monument Was Erected By
The British Army In Canada
A.D. 1849
By His Excellency
Lt. Gen. Sir Benjamin D'Urban
Commander Of Forces
In Replacement Of The One Erected
By The Governor General Lord Aylmer G.C.B.
In 1832
And Destroyed With Pieces Remaining Under
Present Monument

(d) South Side

Ce cinquième monument fut
érigé par la Commission des champs de
bataille nationaux, en juillet 1965
afin de remplacer la colonne qui fut
détruite le 29 mars 1963

This Fifth Memorial Was
Erected By The National Battlefields
Commission In July 1965
In Replacement Of The Column Which Was
Destroyed On March 29th, 1963

3. (a) The National Battlefields Commission.

(b) It was considered that a bilingual inscription of the kind indicated above was more satisfactory.

GEORGE CRUICKSHANK—PUBLIC WORKS DEPARTMENT

Question No. 1,150—**Mr. Coates:**

1. Was George Cruickshank employed with the Department of Public Works, and if so, in what position and for what period of time?

2. Was the position in question one of responsibility and, if so, how does his former position with the department compare with the type of

work that would be demanded in the preparation of plans and specifications for the new federal building which is to be constructed in Amherst?

3. What are the qualifications of George Cruickshank as an architect that led to his selection for the position he held with the Department of Public Works?

Hon. G. J. McIlraith (Minister of Public Works): 1. He was employed as an architect grade 7 from August 14, 1961 to February 15, 1962.

2. His position was one of responsibility. It did not involve the design and preparation of plans and specifications for federal buildings, similar to the building to be constructed at Amherst.

3. He had a diploma in architecture, Aberdeen University, Scotland, and he was a member of the Royal Architectural Institute of Canada and the Royal Institute of British Architects.

PREVAILING RATE WAGES, DEFENCE DEPARTMENT

Question No. 1,232—**Mr. Smith:**

Have officials in the Department of National Defence and/or the Department of Labour found in any area of Canada that area wage rates are based on Department of National Defence prevailing rates for any class of trade and/or occupation rather than the reverse?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Labour as follows: no.

NEW BRUNSWICK—PRINCE EDWARD ISLAND FERRIES

Question No. 1,299—**Mr. MacDonald (Prince):**

1. Was a decision made to dispense with return fares on the C.N.R. N.B.-P.E.I. ferries and, if so, by whom?

2. Is the fare structure on the C.N.R. N.B.-P.E.I. ferries being altered at this time and, if so (a) for what reason (b) when was that decision taken (c) was the Board of Transport Commissioners asked for a decision in this regard?

3. How many automobiles were transported by the C.N.R. N.B.-P.E.I. ferries in 1965?

4. How many passengers were transported by the C.N.R. N.B.-P.E.I. ferries in 1965?

5. When was the last or previous change made in the fare structure of the C.N.R. N.B.-P.E.I. ferries?

6. Was that change an increase or a decrease?

7. What was the amount of the increase or decrease?

8. What was the reason for the alteration in the fare structure on the C.N.R. N.B.-P.E.I. ferries at that time?

[Mr. Coates.]

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

2. Yes, (a) to compensate in small part for the heavy increase in cost due to improved and more frequent services, (b) December 19, 1965, (c) ferry rates are not under the jurisdiction of the Board of Transport Commissioners.

3. 215,894.

4. 672,688.

5, 6, 7 and 8. In passenger fares, in 1958, the passenger rate was increased from 45 cents single and 80 cents return to 50 cents single and 90 cents return to improve the revenue position of the service. The last change in rates for automobiles was made in 1935 when the rate was reduced from $6 single to $2 single and $3 return. In 1941, the rates for trucks were lowered to the Wood Islands rate of 15 cents per foot single or 25 cents per foot return with a surcharge of 20 cents per 100 lbs. for freight carried. In 1947, all agricultural products were exempted from freight charges and in 1950 all freight charges were exempted to conform with Wood Islands ferry practice.

POSTAGE ON INCOME TAX RETURNS

Question No. 1,309—**Mr. Chatterton:**

1. Does the Department of National Revenue require postage for Income Tax Returns and, if so, for what reason?

2. Do other federal government departments require postage on incoming correspondence and, if not, for what reason?

3. What was the number of Income Tax Returns submitted through the Post Office Department in 1965?

4. Is consideration being given to allowing income tax returns to be sent through the mail postage free (O.H.M.S.)?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the taxation division of the Department of National Revenue and the Post Office Department as follows:

1. Yes. Official interpretation of postal regulations is that only mail of a departmental character sent to or from the headquarters of federal government departments in Ottawa is entitled to free postage.

2. Under the provisions of section 17 of the Post Office Act, correspondence, addressed to federal government departments at Ottawa, is acceptable for mailing free of ordinary postage charges. This free privilege applies only to the headquarters of such departments.

3. 6,904,000 T1 and T2 returns as at December 31, 1965.

4. No.

POST OFFICE CONSTRUCTION, HODGSON, MAN.

Question No. 1,331—**Mr. Stefanson:**

Has the government any plans to build a post office at Hodgson, Manitoba, and, if so (a) has land been purchased (b) when will this project be proceeded with?

Hon. Jean-Pierre Côté (Postmaster General): The post office at Hodgson, Manitoba, is in the category of offices where the postmaster is normally responsible for the provision of suitable accommodation as a condition of employment. There are no plans for the construction of a post office building at this location, at the present time.

BRIDGE CONSTRUCTION, FUNDY NATIONAL PARK ENTRANCE

Question No. 1,384—**Mr. Bell (Saint John-Albert):** *Supplementary*

1. Does the government intend to build a new bridge at the southeast entrance to Fundy national park at the village of Alma in Albert county, New Brunswick and, if so (a) has work started on this new bridge (b) what is the completion date?

2. Will the existing bridge at this point be repaired for the coming summer season and, if so (a) when (b) have alternative routes been considered?

3. Was there a loss in number of tourists and dollars owing to the bridge restriction last summer and, if so, what is this estimated loss?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 3. No.

*INDUSTRIAL BANK LOANS

Question No. 1,394—**Mr. Woolliams:**

How much money was loaned by the Industrial Bank in 1964, 1965 and to date in 1966?

[*Translation*]

Mr. Jean Chrétien (Parliamentary Secretary to the Minister of Finance):

	Number of loan approvals	Total amount
Calendar year 1964	2,163	$91,859,000
Calendar year 1965	2,251	$105,464,000
3 months ended March 31, 1966	522	$27,166,000

[*English*]

AGREEMENT ON SCHOOL BUS PRICES

Question No. 1,408—**Mr. McLelland:**

Have the manufacturers of school buses in eastern Canada entered into an agreement concerning prices and, if so, has the attention of the government been brought to this matter?

Hon. Guy Favreau (President of the Privy Council): I am informed that the office of the director of investigation and research under the Combines Investigation Act has received no complaint about price fixing by the manufacturers of school buses in eastern Canada. I would suggest that if the hon. member or any other persons have any information that would indicate price fixing in this industry, they should bring it to the attention of the director in order that he may consider whether formal inquiry is warranted.

DREDGING PROGRAM, HALIFAX COUNTY, N.S.

Question No. 1,412—**Mr. Forrestall:**

1. Has the government a program of dredging in Halifax county, Nova Scotia?

2. If so, what harbours or other areas will be dredged and at what estimated costs for each project?

Hon. G. J. McIlraith (Minister of Public Works): 1 and 2. Dredging at jetty No. 1 H.M.C. Dockyard, Halifax, is planned. It is not customary to reveal the estimated costs before tenders are called.

BRIDGE CONSTRUCTION, EAST FLORENCEVILLE, N.B.

Question No. 1,419—**Mr. Flemming:**

1. Is it the intention of the Department of Public Works to build a highway bridge this year across the St. John river at East Florenceville, New Brunswick, on the trans-Canada highway?

2. If so (a) what is the estimated cost of same (b) what portion of the estimated cost does the federal government pay?

3. Will the present trans-Canada highway bridge between Andover and Perth, in the county of Victoria, be abandoned?

4. If so, what reimbursement will the federal government receive from the province of New Brunswick (a) total amount in dollars (b) percentage of total cost?

Hon. G. J. McIlraith (Minister of Public Works): 1. It is the intention of the Department of Public Works of the province of New Brunswick to build such a bridge as a trans-Canada highway project.

2. (a) $1,930,000, (b) 90 per cent.

3. No, but the bridge between Andover and Perth will no longer be on the designated route of the trans-Canada highway.

4. (a) $442,315.38, (b) 50 per cent.

QUESTION PASSED AS ORDER FOR RETURN

POPULATION AND FARM CENSUS, 1966

Question No. 1,374—**Mr. MacEwan:**

1. What is the purpose of the population census and the farm census which will commence in Canada on June 1, 1966?

2. What department will administer this census?

3. Who appointed the following census commissioners for the county of Pictou, province of Nova Scotia—J. E. Gillis, Lourdes; Elwin Stewart, West River; and C. W. Muirhead, Linacy?

4. How many census takers will be, or have been, appointed for the county of Pictou, and who has or will make the appointments?

5. What questions will be asked in taking the population census?

6. What questions will be asked in taking the farm census?

7. What amount will be paid to each of the three commissioners?

8. What amount will be paid to each of the local census takers?

Return tabled.

[*Translation*]

NATIONAL CENSUS

APPOINTMENT OF COMMISSIONERS IN QUEBEC—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, under standing order 26, I should like—

Mr. Speaker: The member must wait until the motions for papers are disposed of.

Mr. Grégoire: Mr. Speaker, I rise now because the standing orders stipulate this must be done after the questions rather than after the notices of motion. We have just disposed of the questions on the order paper.

I should like, therefore, to move the following motion under standing order 26:

I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

The adjournment of the house for the purpose of discussing a definite matter of urgent public importance, namely the serious irregularities committed in the appointment of the commissioners in charge of the 1966 national census.

Mr. Speaker: Would the hon. member like to comment on the matter of urgency?

[Mr. McIlraith.]

Mr. Grégoire: Mr. Speaker, I feel the motion I moved today meets all the requirements for a request that the house adjourn for the purpose of discussing a definite matter.

First of all, I should like to read the standing order which applies in this case. It is standing order 26 in the last edition of the standing orders of the house, as it appeared in the *Votes and Proceedings* No. 14, on Friday, February 4, 1966:

Any ruling made by Mr. Speaker after listening to argument on the question of urgency shall not be subject to appeal,—

It should follow that the point to be made today is the urgent importance of the matter, so that this motion will be adopted.

First of all, I intend to state the problem, its seriousness and importance, then the importance of the debate and finally the pressing importance of such debate.

This is a serious problem, Mr. Speaker, because the national census will begin in Canada on June 1, and to this end the Dominion Bureau of Statistics, a Canadian government agency, has appointed commissioners to take the national census of Canada. In a letter from Hon. Robert Winters, Minister of Trade and Commerce, responsible for the Dominion Bureau of Statistics, to the hon. member for Kamouraska dated March 26, 1966, he wrote:

There are no competitions but representatives of the Dominion Bureau of Statistics interview the candidates and report to me before selecting them.

The list of the commissioners who have been appointed was recently published. It is the most beautiful official list of the Liberal organization in the province of Quebec.

For instance, in my riding, it is Paul Labrie, former federal Liberal candidate in Lapointe in 1965 and opponent of the incumbent. Patronage.

Another, in the riding of Lapointe: Edouard Bluteau, present provincial candidate for the Liberal party in the provincial elections of Quebec which will be held on June 5 next.

He was appointed by the Dominion Bureau of Statistics to take the census on June 1, while he is a provincial candidate for the elections of June 5.

The chief Liberal organizer in my riding, Paul Tremblay—

Mr. Speaker: Order, please. Will the hon. member come to the question of urgency of this debate?

Mr. Grégoire: Mr. Speaker, if you will allow me to state the basis of my case, I shall do so, in view of the fact that the rules require that I show the importance of the debate. Well, I am showing the importance of the problem and I should like to demonstrate the importance of the debate.

In the constituency of Iles-de-la-Madeleine you will recall the man who signed the affidavits to save the ministers, the one who lodged the complaints to jail the minister's opponents, Frank Décosse, of Fatima.

• (3:00 p.m.)

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, I rise on a question of privilege. There is no relationship between Mr. Frank Décoste and other Messrs. Décoste.

Mr. Réal Caouette (Villeneuve): He is his first cousin.

Mr. Sauvé: Besides, in the Magdalen Islands the representative of the Dominion Bureau of Statistics interviewed some people and the bureau itself selected the census director.

Mr. Grégoire: Mr. Speaker, that proves that the debate is needed. We will find out the names of those who selected them.

In the riding of Roberval, the opponent of the present member was notary Villeneuve, who occupied a high post within the Liberal organization; and now the wife of notary Villeneuve is on the list of commissioners.

An hon. Member: What does it matter?

Mr. Grégoire: The candidate running against the present member in 1963 was a man called Garant and his wife is commissioner, Mr. Speaker.

Mr. Speaker, I have here a list of 30 ridings in which 139 names were given. It is the choice list of the Liberal patronage and organization in the province of Quebec.

In the same letter dated March 24, 1966, the Minister of Trade and Commerce (Mr. Winters) said:

> The commissioners will get $1,100—

—one thousand one hundred dollars—

> —for the full job which might take two months or more.

One thousand one hundred dollars for two months' work and most of the people mentioned here are wives of professional people or Liberal patronage handlers. They do the work at night and that is a reward from the Liberal party.

Mr. Ovide Laflamme (Québec-Montmorency): Mr. Speaker, on a point of order. The hon. member for Villeneuve (Mr. Caouette) is at the present time—

Mr. Caouette: Not the hon. member for Villeneuve.

Mr. Laflamme: I apologize, I mean the hon. member for Lapointe (Mr. Grégoire), who is giving a series of names of people and he does not know—

Mr. Caouette: Oh, oh.

Mr. Laflamme: —their competence. I respectfully submit, Mr. Speaker, that the chief commissioner undoubtedly selected people who are of age and have some education.

Mr. Grégoire: Mr. Speaker, with regard to the point of order—

Mr. Speaker: Order. There is no point of order. Once again I ask the hon. member for Lapointe to co-operate with me so that I will have an opportunity to give a ruling as soon as possible, because the hon. member cannot at this time discuss the matter itself.

An hon. Member: That is right.

Mr. Speaker: He may only enlighten the Chair and his colleagues on the urgency of the debate itself.

Mr. Grégoire: Mr. Speaker, I have no doubt whatsoever about the competence of those individuals, although I might in some cases, but what I wish to stress is that an administrative agency namely the Dominion Bureau of Statistics, which must be above politics, was used for shameless purposes of patronage—

Some hon. Members: Oh, oh.

Mr. Grégoire: —vulgar patronage, patronage the likes of which should not exist.

Some hon. Members: Order.

Mr. Speaker: Order. I now ask the hon. member to limit his remarks to the matter of the urgency of the debate.

Mr. Grégoire: In any event, Mr. Speaker, I think I have proved my point, namely the seriousness of the problem, since I have managed to stir up the anger of the members of the Liberal party by throwing in their teeth some of their dirty patronage.

Mr. Sauvé: Oh, come off it.

Census Debate Requested

Mr. Grégoire: I should like to close, in an attempt to point out the gravity of the problem, by saying that no one has the right to use a government body for low political ends as the Liberals are now doing.

My second point concerns the importance of the debate. And I know what I have to prove in this regard, Mr. Speaker.

According to standing orders, the importance of the debate—

An hon. Member: It is not important.

Mr. Grégoire: The importance of the debate, yes, because such a debate can throw some light, enlighten the house, and allow redress of the scandal—

Some hon. Members: Oh, oh.

Mr. Grégoire: —of the unnameable scandal we are now witnessing. The debate is important as an attempt to root out the evil the Liberal party is now committing.

[*English*]

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

Mr. Grégoire: Certainly.

Mr. Winkler: I would ask the hon. member whether that is the reason he supports them every time we have a vote of non-confidence.

Some hon. Members: Oh, oh.

[*Translation*]

Mr. Grégoire: Mr. Speaker, when in—

Mr. Sauvé: There is no connection.

Mr. Grégoire: Mr. Speaker, in their hypocrisy, the Conservatives tried to prove that one was black and the other was white. I was not taken in, because they are all just as black one as the other.

Mr. Speaker: Order. Would the hon. member again restrict his remarks to the point I have just suggested?

Mr. Grégoire: Then, Mr. Speaker, what I must prove, under standing order 26, is the importance of the debate. The importance of the debate: it is written right here.

I say that the discussion is very important, because it could help remedy the situation.

An hon. Member: It is too late.

Mr. Grégoire: And I should like to make a—I am told it is too late. I shall come to that later. But for the moment, I should like to quote a precedent to stress the importance of the matter. During the—

[Mr. Sauvé.]

Mr. Gérard Duquet (Quebec East): Mr. Speaker, I rise on a question of privilege. The matter now being raised by the member for Lapointe is no more in order than his statement to the effect that he would take an active part in the election campaign.

Mr. Speaker: Order. There is no question of privilege.

Mr. Grégoire: Mr. Speaker, I have here the list of commissioners in Quebec East, which indicates that patronage in the riding of Quebec East—

Mr. Speaker: Order.

Mr. Caouette: The hon. member for Quebec East (Mr. Duquet) has never done any patronage.

Mr. Grégoire: It has to do with patronage handlers, but I shall leave this subject and pursue my remarks, Mr. Speaker, on the importance of the debate. To support my argument concerning the importance of the debate, I should like to quote a precedent.

More than a year ago, when the question of urgency of debate was raised concerning drought in the province of Ontario—

Mr. Caouette: Including also the riding of Stormont.

Mr. Grégoire: —including also the riding of Stormont, as my colleague for Villeneuve just said, the question of urgency was accepted and, during the debate, discussions took place and decisions made. It was later established that the debate had given results, since steps had been taken to cure the disastrous effects of the drought in the province of Ontario.

That proves the importance of a debate such as this one to cope with the problem I pointed out.

Third, this debate is important now, Mr. Speaker, because to-day is May 11 and the census is beginning on June 1; if a decision is taken today, during the debate, to cancel the lists, give orders to have others made, the last 20 days will allow these things to be done: three days to notify the officials of the national employment offices to see to it that the commissioners are replaced; one day to prepare and send the required notices to recruit new commissioners; two days to enable those who are interested to send their applications—

An hon. Member: Why replace them?

Mr. Grégoire: —two days for the examination of the new commissioners; one day to choose a new commissioner; two days to send him the necessary literature and two days enable him to learn his work and to prepare himself. That makes a total of 13 days out of 20 days. There are 3 Saturdays, 3 Sundays and one holiday, May 21, the Queen's birthday.

This means that if we do not discuss it this very day, tomorrow will be too late, for there will not be time to replace all the commissioners. It is important, it is urgent and it must be done. They must be replaced, not by people selected through patronage by the Liberal organization, but since we are in the middle of the summer—

Mr. Sauvé: What you are saying is false.

Some hon. Members: Oh, oh.

Mr. Grégoire: You do not have to shout like that.

Mr. Sauvé: It is false, you do not know what you are talking about.

Mr. Speaker: Order. May I suggest to the hon. member that he has stated his case quite comprehensively. I can hardly imagine what new arguments he could bring in support of his proposal and I call on other members who may wish to do so, to comment on the urgency of the debate.

Mr. Grégoire: Very well, Mr. Speaker; I have completed my remarks on this. I wanted to find a solution. I note that my remarks have been quite cogent and that it is now obvious a debate is necessary.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, in view of all the explanations just given by the hon. member for Lapointe (Mr. Grégoire) I would suggest that we postpone consideration of his motion until the day after tomorrow.

[*English*]

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I find it a little difficult to understand precisely the question sought to be raised.

Some hon. Members: Oh, oh.

Mr. McIlraith: If I understood the rather lengthy argument advanced, it seemed to be a complaint that one of the census commissioners, having had a background of training that would give him a thorough knowledge of the constituency, was thereby disbarred from doing this job that requires a thorough knowledge of the constituency. I have the greatest doubt that the matter raised could form the subject matter of a motion under standing order 26.

Mr. Starr: Why don't you appoint the Créditistes as a reward for voting for you?

Mr. McIlraith: In any event, the point I wish to raise now, and I will try to do it very briefly, is simply this. The type of motion that can be raised under standing order 26 must involve a matter that is of recent occurrence, and must be so urgent that the proceedings of the house should be halted so that it may be discussed. That is according to that part of citation 100 of Beauchesne's fourth edition, page 89, to be found at the bottom of the page.

As to the first point, about the matter being so urgent, the matter has been before the house for about one week now as will appear from question No. 1432 on today's order paper. There are other questions on this subject, indicating that it is not something that has just arisen today, suddenly.

The second point, to do with lack of urgency, is that there is other opportunity for discussing this. It is a matter that might better be discussed with the minister when his estimates are up for consideration. Those estimates, now before the committee, were referred to it on March 22. If this is a matter that the hon. member wishes to pursue, he might well pursue it there.

The subject matter the hon. member raises is not of a nature which should form the basis of a motion under standing order 26. Nor is there any urgency, within the meaning of the requirement for urgency of debate, under that order.

• (3:10 p.m.)

Mr. David Lewis (York South): I rise to support the suggestion that this matter should be placed before the house as one of urgency, requiring immediate debate.

Some hon. Members: Oh, oh.

Mr. Lewis: About a week ago, say ten days ago, I questioned the Minister of Trade and Commerce on precisely this point. I respectfully suggest to hon. members opposite that we have reached a time in Canada when patronage of any sort is not a matter for cynical laughter, and that this house has a

duty to deal with every manifestation of patronage immediately it occurs.

I would draw to the attention of the house the fact that I have had correspondence from young students who are seeking jobs.

Mr. Speaker: Order. Is the hon. member addressing himself to the question of urgency of debate?

Mr. Lewis: Indeed I am, or in my opinion I am, and I hope I am right. I was saying that I have received letters from some students who were seeking jobs as census takers—young Canadians who wanted to earn their university fees for next year. They were told they had to go to the Liberal organization in order to to get recommendations for the job, and when I raised objection to this through the newspapers in Toronto the song was changed; they had to go through the local member of parliament. I now have letters from people who are seeking recommendations for these jobs.

Some hon. Members: Oh, oh.

Mr. Lewis: Just let hon. members opposite hold their laughter. They do not need to demonstrate their cynicism about these things; we know it without this demonstration.

I have dictated letters to these people telling them I do not propose to recommend them for any jobs, and I have given them the names of the Liberal commissioners so that application may be made to them.

This kind of action should end now, because we have come to a state in Canada where this miserable type of patronage should not take place. I urge upon you, Mr. Speaker, that the question raised ought to be debated now.

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): Mr. Speaker, I submit that the hon. member for York South (Mr. Lewis) and the hon. member for Lapointe (Mr. Grégoire) have proven neither the urgency, nor the importance of the debate.

There cannot be any urgency unless there are irregularities. The commissioners were appointed by the Minister of Trade and Commerce (Mr. Winters), under the provisions of subsection (1) of section 5 of the Statistics Act. The minister only used the powers he has with respect to the appointment of the commissioners.

As for the importance of the debate, the question of the competence of the commissioners chosen was not raised. Therefore, it is neither urgent, nor important.

[*English*]

Mr. Terence Nugent (Edmonton-Strathcona): There is one argument in support of the urgency of this debate which has not been raised. Since this matter involves the reputation of the government, I believe every member of the house would like to see it debated at once because it shows that despite this government's reputation for lousing things up it has done a beautiful job of patronage.

Mr. Speaker: Order. I would appreciate it if hon. members were to limit their comments to the question of procedure which is before the house.

Mr. Nugent: I think we should waste no time—

Some hon. Members: Hear, hear.

Mr. Nugent: —in giving the government the opportunity to prove they can be efficient, even if it is in the area of political skulduggery alone.

Hon. John M. Turner (Minister without Portfolio): In addition to the citation referred to by the Minister of Public Works I should like to refer Your Honour to page 90 of Beauchesne, where citation 100(3) states:

> "Urgency" within this rule does not apply to the matter itself, but 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.

I think it would be in the interests of the house that this question be discussed at some time when estimates are before us for consideration, or on a supply motion. The hon. member for York South, together with his seatmate, representing 20 years of government in Saskatchewan, might show us how this should be done.

Mr. Lewis: It will not do any good, but we shall be glad to try.

• (3:20 p.m.)

[*Translation*]

Mr. Caouette: Mr. Speaker, members of the government party may scream their heads off that the question is not urgent, that it is not important, that there has been no patronage and so on, I am of the opinion that this is a

most important and urgent question. As we stated yesterday on the telephone to the Minister of Trade and Commerce (Mr. Winters), who is responsible for the appointment of the commissioners, it would have been better to appoint students, university people, people who are capable, regardless of their political leanings, to carry out the 1966 census. The Liberals overruled all. When we claim that party favourites were appointed as commissioners—

Mr. Laflamme: Mr. Speaker, may I put a question to the hon. member?

Is the hon. member aware that in my riding the census enumerators were appointed after consultation with the secretariat of Laval University?

Mr. Caouette: Mr. Speaker, I have in my hand the official list of those appointed by the minister. The following names are listed: Albert Quesnel, chief Liberal organizer in Rouyn-Noranda; Mr. Côme Lapierre, candidate at the Liberal convention for the election of last November 11; Mr. James V. Hardy, of Bourlamaque; Mrs. Marcelle Seewaldt, Mr. Roméo Smith, of Cadillac, the same thing again.

Mr. Speaker: Order. The hon. member for Villeneuve is now discussing the subject matter itself while we are considering a question of procedure dealing with the urgency of the debate under the rules of the house.

Mr. Caouette: Mr. Speaker, I understand that, under the rules, we might not have the right to name those people; however, we have the right to say that those people command $1,100 each, which represents $5,500 in one riding.

It does not matter that students belong to Liberal or Conservative families, but the students and not the patronage handlers should be in charge of that organization.

The urgency is so important and so valid that on March 24, in reply to the hon. member for Kamouraska (Mr. Dionne), the minister said this:

> The appointment of census officers also falls under my jurisdiction, but because of their great number, approximately 35,000, I will delegate that responsibility to each census commissioner—

That means that the Liberal patronage handlers in various ridings will now choose those who will work for the census.

Mr. Speaker: I feel it is my duty to intervene by reminding the hon. member that what is before us is just a matter of procedure, a matter which is very limited, namely if there is any urgency of debate.

Mr. Grégoire: Mr. Speaker, on a point of order.

Mr. Speaker: The hon. member for Lapointe will kindly allow me to conclude my remarks.

I heard the remarks of the hon. member for Lapointe which are, in my opinion, somewhat outside the scope of the matter of urgency and importance, or pressing importance of the debate. It seems to me that we should try not to prolong the discussion. We have hardly touched on the substance of the matter during the last hour. To all practical purposes, it seems to me that we have had a debate. In any case, I will allow the hon. member for Villeneuve to conclude his remarks.

Mr. Grégoire: Mr. Speaker, on a point of order.

I would like to point out that standing order 26 relating to the debate uses the words "matter of urgent importance" and not the word "urgency".

I know that, in the English text, the word "urgency" is mentioned. But I submit that, in the French text, it is the word "importance" and that if we have two official languages in Canada, the French text is as valid as the English text. We are using the French text, and it is the matter of importance and not the matter of urgency. However, French is taken only as a language of convenience, a language of translation.

Mr. Caouette: All we want, and I believe it is urgent and important, we asked it before bringing up the matter in the house. We asked that changes be made, that the list of commissioners be cancelled and that appointments be made regardless of political considerations: we do not want political organizers appointed in those ridings. That is what we object to.

Mr. Speaker: Order. May I remind the hon. member for Villeneuve, and others as well, that they are now discussing the subject matter rather than the urgency of the debate.

Mr. Caouette: Mr. Speaker, the matter is urgent and it is important to know, for instance, who suggested those names. That is

why we should discuss the matter fully today so that the minister might throw some light on the appointment of agents or commissioners for the 1966 national census. Mr. Speaker, I appeal to your sound judgment—I know your good sense—so that we might discuss this fundamental question, for it is important, and so that we might give our students the opportunity to earn that amount to enable them to continue their studies, instead of cutting up the pie, like the Liberals are now doing, through political patronage; that is intolerable in a country such as ours.

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I merely wish to add a few remarks on the importance and urgency of the debate to those of the members who have preceded me.

With regard to the importance of the debate, it is of capital, utmost importance for there are irregularities which prove patronage and favouritism. In the riding of Sherbrooke the commissioners are five federal Liberal organizers, one of whom is the brother of the Liberal candidate who was defeated in the last elections.

Mr. Speaker: Order. I wish to remind the hon. member for Sherbrooke that he must—and this is also for the guidance of other speakers—discuss the urgency of the debate.

Mr. Allard: Mr. Speaker, it would be a lot easier for us to make our views known, if the hon. members on this side of the house gave us a real opportunity, despite the inconvenience the matter may cause them, to express ourselves.

The importance and urgency of the debate must be shown. This matter is very urgent, for there are hardly 20 days left, as the hon. member for Lapointe (Mr. Grégoire) pointed out, for the re-appointment of objective and impartial commissioners, regardless of the choice of the Dominion Bureau of Statistics, that is either through the newspapers or through objective and impartial public bodies, such as the senior chamber of commerce, the junior chamber of commerce or the national employment service, registering in my area many unemployed people of various education levels who would be in a position to earn $1,100. There is also the students association of the University of Sherbrooke. This is why it is urgent.

Mr. P.-E. Trudeau (Mount Royal): Mr. Speaker, it seems to me that the question of urgency is relative. The question raised by the hon. member for Lapointe (Mr. Grégoire) is important and urgent, but only from the point of view of political partisanship, from the politicking point of view.

As was explained by the Minister of Public Works (Mr. McIlraith) and the hon. member for St. Lawrence-St. George (Mr. Turner), the house will have an opportunity to discuss this problem when considering the estimates in question.

The political manoeuvring which is going on here is not what the people are expecting from us, I think.

There are important and urgent questions on the order paper. But, so far as this matter is concerned, the people are more interested in the passing of a piece of legislation for the Commonwealth than in wondering whether we will be helping friends of the party in power or of the opposition. This is an urgent question in a very minor field, and a few days difference will not change the ordinary procedure of the house.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, in thirty seconds I can prove that there is no urgency to debate this matter, and to support my point I will quote a statement from a speech delivered on May 3, 1966 by the hon. member for Lapointe (Mr. Grégoire), as reported in *Hansard*, page 4648, second column:

> You will have to admit that this is the final inconsistency and stupidity, to be forced to talk about scandals.

The hon. member wants to speak about a scandal. Is it any wonder then that confederation—

Mr. Speaker: Order.

Mr. Choquette: Mr. Speaker, I rise on—

Mr. Speaker: Order. Would the hon. member resume his seat?

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

Mr. Speaker: Would the hon. member for Lapointe resume his seat?

I am asking hon. members to co-operate with the Chair so that the business of the house may be carried on in an orderly manner. During the past hour or so, hon. members have been discussing a strictly procedural point of order on which I hope they will very shortly allow the Chair to make a ruling.

Mr. Grégoire: Mr. Speaker, I rise on a point of order to correct the statement made

by the hon. member for Lotbinière (Mr. Choquette) who quoted a statement of mine.

I want to point out that what I said then was that I thought it was stupid to discuss a personal scandal. Today, we are discussing the scandal of squandering public moneys to the benefit of friends appointed in the constituency of Lotbinière.

Mr. Speaker: Order. Hon. members know that, under the rules, the Speaker can stop any discussion on a point of order if, in his opinion, all aspects of the question have been dealt with.

As every party had the opportunity, through its representative, of expressing its views, I think it is my duty, under our Standing Orders, to rule on the matter.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I believe there is an argument which has not been raised concerning the importance of the debate.

Mr. Speaker: Order.

Mr. Langlois (Mégantic): Mr. Speaker, I think it would be in the interest of the Chair to hear it.

Mr. Speaker: Order. The hon. member for Mégantic says it would be in the interest of the Chair to hear his argument. The hon. member for Lotbinière (Mr. Choquette) wishes to continue his remarks. The debate could obviously go on for some time.

I humbly submit that it would not be to the advantage of the house to continue the debate.

The hon. members, particularly the member for Lapointe who moved this motion under standing order 26, asked me to consider citation 100 of Beauchesne's Fourth Edition, which reads as follows:

(3) "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

Paragraph (2) reads as follows:

The "definite matter of urgent public importance", for the discussion of which the adjournment of the house may be moved under Standing Order 26, must be so pressing that public interest will suffer if not given immediate attention.

I cannot agree that public interest would suffer if the matter referred to was not given immediate attention in the house.

Mr. Langlois (Mégantic): It would, as far as provincial elections are concerned.

Mr. Speaker: Some members pointed out that certain pieces of legislation are to be considered later on and they suggest that the discussion of that particular legislation is of a more urgent character than the motion now before the house. I believe such a suggestion to be reasonable.

It seems to me a motion such as the one presented by the hon. member for Lapointe is to be used only as a last resort. Only in extreme circumstances should it be moved and accepted. Only extraordinary circumstances warrant the suspension of the business of the house for the consideration of a question other than that on the agenda.

For those reasons, I do not believe I can accept the hon. member's motion.

• (3:30 p.m.)

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Would Your Honour be kind enough to call notices of motions Nos. 117 and 125?

I ask that the remaining ones be allowed to stand.

[*English*]

SEAFARERS UNION CONSTITUTION

Motion No. 117—**Mr. Herridge:**

That an order of the house do issue for a copy of any communications exchanged between the maritime trustees, or other organizations and other persons, and the minister, or any official thereof, of the Department of Labour, and for a copy of any constitution submitted to the minister for his perusal or comment, with respect to the Seafarers International Union.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, since this notice of motion was placed on the order paper I have made careful inquiries and have had an opportunity since then to discuss the matter with the hon. member in whose name it stands.

From my personal examination I am convinced that all the many documents, with possibly one or two insignificant exceptions, are privileged. I can understand, however, my hon. friend's concern and his desire to obtain a copy of the constitution of the S.I.U. of Canada. I have assured him that I will see that he gets a copy. If he has any comments to make or questions to ask regarding the constitution or any other matter after he gets it, I will be pleased to deal with them when

the estimates of my department come up for discussion.

On that understanding I have been assured that the hon. member will withdraw the motion.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I discussed this matter with the minister, and in view of his explanation as to the confidential nature of the correspondence and the potential consequences which may follow a revelation of the information received from the R.C.M.P., I seek the unanimous consent of the house to withdraw this motion.

Mr. Peters: Mr. Speaker, in spite of the remarks that have been made, because of the interest that has been shown in this matter I think it would be better if this motion were presented.

Mr. Speaker: I understand there has been a request that the motion be dropped.

Order discharged and motion withdrawn.

EFFECT OF U.S. ACT ON CANADIAN PRINTING INDUSTRY

Motion No. 125—**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 letters or briefs, dated since April, 1963, addressed to the government of Canada or any minister or department thereof, by provincial governments or any associations, federations, institutes or societies, concerning the effects of the manufacturing clause of the United States Copyright Act on the printing industry in Canada, and a copy of the replies thereto.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, subject to the usual reservations, that in respect of documents emanating from provincial governments consent must first be obtained and that any correspondence which might adversely affect the competitive position of persons or firms is regarded as confidential, the motion is acceptable.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have no objection to those reservations. The second one is quite in keeping with the terms of the motion. I am not asking for correspondence with individual firms but rather with associations of firms and other groups or organizations.

Mr. Speaker: Is it agreed that the motion be adopted subject to the reservations expressed by the minister?

Some hon. Members: Agreed.

Motion agreed to.

[Mr. Nicholson.]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I rise on a point of order relating to motion No. 121 which appears in the name of the hon. member for Bow River (Mr. Woolliams). This motion was signed by him in my unavoidable absence but in essence it is my motion. Since it is my opinion that most, if not all, of the information requested is at hand I should like to know why the motion has not been allowed to proceed. Does the government intend to wait until it obtains the information before allowing the motion? I think this is a fair question to put, because after all this is to be an order of the house, not an order of the government.

Mr. Pickersgill: The motion is in the name of another member.

ADMINISTRATION OF JUSTICE

SPENCE ROYAL COMMISSION—OBTAINING OF EVIDENCE AND APPOINTMENT OF COMMISSIONER

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Solicitor General. Will he inquire from the Royal Canadian Mounted Police as to how it obtained certain evidence being considered by the Spence inquiry to ensure that it was not obtained by means of a telephone tap and an electronic listening device in the Montreal apartment of Mrs. Gerda Munsinger, both of which practices are illegal?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I must fall back on the answer which has been given in this house on many previous occasions by other ministers charged with the responsibility of answering in the House of Commons regarding the methods of investigation used by the R.C.M.P. It would not be in the public interest to disclose these methods of investigation.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in view of the unparalleled and unjustifiable manner in which the inquisition is being carried out by Mr. Justice Spence, I should like to ask the Acting Prime Minister to produce any correspondence regarding the appointment of this judge, and to tell the house whether before the judge accepted the appointment the Chief Justice of Canada was consulted?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I ask the minister personally whether he communicated with the judge

and told him that in certain interests—you can fill that part in on your side—he was wanted as commissioner?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I am sure that my right hon. friend does not in any way wish to cast a reflection on the royal commissioner.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Mr. Speaker, I said that I was sure the right hon. gentleman, who is a distinguished member of this house, a former prime minister and a lawyer of great experience, would not wish to cast a reflection on the royal commissioner who was appointed by the government of Canada with the approval of this house. He is a member of the Supreme Court of Canada and—

Mr. Diefenbaker: He was not appointed with the approval of this house. This was just a narrow-minded appointment in so far as the terms of reference are concerned.

Mr. Martin (Essex East): I must take the view, whatever my right hon. friend may feel to be the provocation, and on that I am not clear, that I cannot sit in my place at this time and listen to the right hon. gentleman express himself in a manner that could be construed as a reflection on the royal commissioner. If that is what my right hon. friend has done, then I must take strong issue with him and suggest that this is not the course that should be followed in this instance.

Some hon. Members: Hear, hear.

Mr. Ricard: Answer the question.

Mr. Diefenbaker: Mr. Speaker, I am still waiting for the answer. Did the minister ask the judge to accept this? Did he telephone him and say, "Now, this is something you could do for me"?

Some hon. Members: Shame.

Mr. Martin (Essex East): Mr. Speaker, I am not the Minister of Justice; I am not the Prime Minister of Canada. I did not speak to the Minister of Justice. I did not speak to anyone, because it would have been outside my ministerial responsibilities. In any event, if I had, that would not be a matter to which my hon. friend would be entitled to refer in this way, because implied in this suggestion is a reflection on a judge who holds an honourable post—

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): —in the final court of appeal of this country.

Mr. Diefenbaker: Mr. Speaker, I am still waiting for the answer. Did the minister ask this judge to act because there were certain interests at stake?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: That is what I ask.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Order, please. The right hon. Leader of the Opposition has asked a question, the minister has made a reply, and I think the matter should be allowed to stand there.

Mr. Diefenbaker: I know he did.

Mr. Erik Nielsen (Yukon): Mr. Speaker, a supplementary question to the Solicitor General. Has he personally looked into the question of whether the telephones of members of parliament are being tapped or interfered with by means of electronic listening devices? If so, will he provide a list of the names of members whose telephones are being so tapped or listened to by means of electronic devices?

Mr. Speaker: Order, please. The question is not acceptable in the way it was put by the hon. member because he is making an assertion.

Mr. Nielsen: With the greatest respect, Mr. Speaker—

Mr. McIlraith: If you have a charge to make, make it.

Mr. Ricard: That is what you said a year ago.

Mr. Nielsen: With the greatest respect to you, sir, I was not making any such allegation.

Some hon. Members: Oh, oh.

Mr. Nielsen: I was seeking information from the Solicitor General and asking whether he had ascertained if telephones of members of parliament have been subjected to wiretapping or electronic eavesdropping devices.

Mr. Speaker: Order. I suggest to the hon. member that the question is of a general nature. It may be of extreme importance in the minds of hon. members but I do not think the question is so urgent that it should be asked at this very moment. It could very

easily be placed on the order paper. If the hon. member thinks it is very urgent, it could be discussed on the adjournment debate.

Mr. Nielsen: Again, with the greatest respect, the urgency lies in the fact that no member dare use his telephone unless he gets this assurance from the Solicitor General.

Mr. McIlraith: There is the only man who did wiretapping around here.

Mr. Ricard: Put a charge yourself.

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege. The Minister of Public Works just this moment uttered, loud enough for the *Hansard* reporter to hear, "There is the only man who wiretapped around here", and pointed to the Leader of the Opposition.

Mr. McIlraith: That is right.

Mr. Nielsen: That is conduct unbecoming a minister of the crown, and he should make a charge or keep quiet.

Mr. McIlraith: Yes, I will be very glad to explain the exact charge. The Leader of the Opposition, when he was prime minister of Canada, had this house tapped and the wiring extended to his own office—

Some hon. Members: Oh, oh.

Mr. McIlraith: —to check proceedings that went on here. He admitted it himself and had the wiring removed when the matter was raised in the House of Commons by the hon. member for Kootenay West.

Some hon. Members: Hear, hear.

Mr. Ricard: You are a real Grit.

Mr. Diefenbaker: On a question of privilege, Mr. Speaker, let me make it very clear that when I was prime minister it was suggested that I might be able to follow the debates in the house while working in my office. Objection was taken to that and it was withdrawn.

Mr. McIlraith: That is right.

Mr. Diefenbaker: That is not the kind of wire tapping we are talking about.

Some hon. Members: Oh, oh.

Mr. Herridge: Mr. Speaker, I wish to explain to the house that this complaint was made by Senator Argue.

Some hon. Members: Oh, oh.

Mr. Lambert: That is why he became a Senator.

[Mr. Speaker.]

NATIONAL DEFENCE

POSSIBLE CONSTRUCTION OF ANTI-MISSILE BASES IN CANADA

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. In view of frequent references in the press, may I ask the minister whether there have been any discussions at any level between officials of the government of the United States and the government of Canada regarding the possibility of constructing anti-missile bases in Canada?

Hon. Paul Martin (Secretary of State for External Affairs): I know of no such discussions, Mr. Speaker.

Mr. Douglas: A supplementary question, Mr. Speaker. If any discussions are held and agreement reached, can we have the minister's assurance that this matter will be referred to parliament rather than having an agreement signed with which parliament is only acquainted after the event?

Mr. Speaker: Order. It appears to me that the question is hypothetical.

[*Translation*]

NATIONAL CENSUS

QUEBEC—INQUIRY INTO APPOINTMENT OF COMMISSIONERS

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs, in his capacity as Acting Prime Minister.

Can he tell us whether he proposes to call for an inquiry into the serious irregularities committed in connection with the appointment of commissioners for the 1966 national census which resulted in shameful patronage in the province of Quebec?

Mr. Speaker: Order. I do not think the question as put by the hon. member is acceptable or in order; as a matter of fact, it is more in the way of a statement and should not be put in such a way. This question, in the way the hon. member put it, cannot be accepted. It is accompanied by a statement and no question should be put that way.

Mr. Grégoire: I feel so indignant that I add things which should not be added under the rules.

Does the Prime Minister intend to launch an inquiry into the irregularities committed in connection with the appointment of commissioners for the 1966 general census?

Hon. Paul Martin (Secretary of State for External Affairs): The answer is no.

Mr. Grégoire: Would the minister tell us whether the government is interested in throwing some light on the matter or whether it prefers to hide everything under the carpet?

Mr. Martin (Essex East): The government is always interested in the truth.

[*Later:*]

Mr. Auguste Choquette (Lotbinière): Would the minister or his assistant tell the house whether the persons selected to take the census have passed an examination to ascertain whether they are qualified for the job?

Mr. Speaker: The question is argumentative.

LABOUR RELATIONS

QUEBEC—STOPPAGE OF WORK BY LONGSHOREMEN

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a question to the Minister of Transport.

In my opinion it concerns an urgent matter which is neither partisan nor political. It has to do with the increasing uneasiness among dock workers in Quebec and Montreal because of the difficulties they experience for parking.

Could the minister, who paid an official visit to the Quebec harbour yesterday and who has witnessed the situation, inform the house of the steps he intends to take to settle this problem and prevent general work stoppages as those which happened recently.

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, yesterday I was in Quebec to visit the port, and there was a temporary stoppage of work in the middle of the day. My colleague the Minister of Citizenship and Immigration, was in Quebec with me. We went to the grain elevator where a considerable addition to the elevator was to be opened and was opened. In the presence of the workmen we then agreed, together with the port manager, to hear their grievances, and it was our understanding that the three people delegated for that purpose were quite satisfied with the measures which were to be taken to meet the immediate situation.

I regret to have to say that I understand we were not as successful as we had hoped to be, and that the men are still out. I also understand that in Montreal this morning there was a discussion between the leaders of the union and the harbour authorities; that the arrangement which was put to the men was not acceptable and the strike, if it is to be called a strike, is still going on. I also understand that some men are out at Three Rivers or Trois-Rivières.

This is a very grave situation indeed. I welcome the opportunity, sir, to underline the gravity of this situation at a time when we have an unprecedented quantity of traffic moving through the St. Lawrence ports, including wheat; perhaps I could almost go so far as to say above all, wheat; both wheat for commercial export and wheat for relief. I sincerely hope that everything will be done by everyone who can play any part to bring this dispute to an end as quickly as possible.

Mr. Valade: Mr. Speaker, I have a supplementary question. Will the minister make a statement that the question of parking facilities for the convenience of the employees of the port will be looked into? I believe such action could alleviate the present situation.

Mr. Pickersgill: Mr. Speaker, perhaps one who has not seen the situation personally should not offer an opinion on a matter of this kind. However, I am going to take the risk of saying that I do not believe parking facilities are the main question at all. I think if the question between the union and the employers could be settled this matter would be settled quite quickly and, as I said, we would have had no difficulty in Quebec yesterday. I believe there is a mixture of the two things, and I have asked the harbours board to do everything possible within reason to see that the men are satisfied. However, I think hon. members will realize that we cannot permit parking in areas where work is supposed to be going on and goods are supposed to be moved. If I may be permitted to give an example, it was agreed at Quebec that there was a particular area where at certain times ships were unloading and at that time parking would not be permitted, but it would be permitted, as it was more convenient for the men, when there were no ships coming in.

Inquiries of the Ministry

I am hoping that with a little more flexibility on both sides this question could be settled, but it is not the main question. What I hope is that both the employers and the union will get down to the business of making an agreement and get on with the work in the interest of the country.

Mr. Valade: I have another supplementary question, Mr. Speaker. Does the minister deny responsibility for applying some sort of set of rules to settle this situation or does he leave it entirely to the port authorities?

Mr. Speaker: Order, please.

Mr. Pickersgill: Mr. Speaker, I believe this is a matter of great national urgency, and even though it is not strictly according to the rules perhaps you will permit me to say that this is not a dispute between the government as an employer and its employees. The longshoremen are employed by private employers. The Minister of Labour is doing everything he can in this matter. He has appointed a conciliation board with an excellent chairman; I believe the other members are capable, but I do know that the chairman is excellent. Every effort is being made by the Department of Labour and the government to get the two parties to reach agreement.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a supplementary question to the Minister of Transport.

Is the minister not of the opinion that this conflict in the Montreal harbour is, in fact, a fight to the finish between two rival unions which make both workers and employers suffer?

Mr. Speaker: Order. The hon. member makes an argument. His question is not in order.

[*English*]

Mr. Pickersgill: I do not think I should go into the background.

Mr. Speaker: Order. I have ruled that the question is out of order.

EXTERNAL AFFAIRS

INVITATION TO SAUDI ARABIA KING TO VISIT CANADA

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the announcement yesterday that His Majesty King Faisal of Saudi Arabia will be paying a state visit to the United States next month, has the government invited and, if not, is it considering inviting the king to visit Canada at the same time?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the government has not given consideration to this matter. I am grateful to my hon. friend, however, for putting the question.

PARLIAMENT HILL

PARKING OF YACHT BY MEMBER FOR LAPOINTE

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, I have a question for the Minister of Public Works which arises out of the shortage of parking space on the hill. Would the minister inform the house if he issued a special permit yesterday to the member for Lapointe to park his luxury yacht on parliament hill?

Hon. G. J. McIlraith (Minister of Public Works): No, Mr. Speaker, but I admired the yacht very much.

Mr. Speaker: Order, please.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO TERMS OF REFERENCE OF MEDIATOR

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Acting Prime Minister. In view of the statement by Mr. Ouimet yesterday that he had it on the highest authority that Mr. Keate is acting as a conciliator, would the minister inform the house precisely what aspects of the "Seven Days" dispute Mr. Keate has been instructed or asked to conciliate?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, the Prime Minister made a statement as to the functions and prescribed duties of Mr. Keate. As this matter is not within my ministerial function I would prefer to look at what the Prime Minister said and deal with the question in the light of my understanding of both the question and the answer.

Mr. Lewis: Mr. Speaker, I have a supplementary question. When the Acting Prime Minister is looking into what has already been said, would he also be good enough to acquaint himself with precisely what authority has been given to Mr. Keate; whether he has been asked to look into the dismissal of Watson and LaPierre and whether an order in council has been prepared or is being prepared appointing him to what position?

Mr. Martin (Essex East): Mr. Speaker, I would refer my hon. friend to the answer made to this and other questions, I believe, on Monday last.

FINANCE

TAX FOUNDATION REPORT ON DOMINION—PROVINCIAL FISCAL RELATIONS

On the orders of the day:

Mr. Ian Watson (Châteauguay-Huntingdon-Laprairie): Mr. Speaker, I have a question for the Minister of Finance of which I have given notice. It relates to the report on federal-provincial fiscal relations prepared by the Canadian Tax Foundation for the tax structure committee. Will the minister advise the house whether the policies outlined in this report constitute government policy?

Mr. Speaker: Order, please. I have very serious doubts that this question is so urgent that it should be answered now. The urgency is not apparent to me. However, if the minister and others have no objection, I will permit the question.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I believe the question is of some urgency. I have here the booklet referred to and it does contain statements upon which I ought to comment in order to clarify the position as quickly as possible. If you will permit me, I should like to give a short answer. If not, I will be very happy to give the information outside the house.

Mr. Speaker: I suggest to the minister that the question does not appear to be the type of question which should be asked at this time.

CANADIAN NATIONAL RAILWAYS

CURTAILMENT OF PASSENGER SERVICE BETWEEN LONDON AND TORONTO

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Transport. Would the minister inform the board of transport commissioners of the grave concern of the city of Woodstock, Ont. with respect to the serious curtailment of passenger service on the Canadian National Railways between the cities of London, Woodstock and Toronto which has just taken place?

Hon. J. W. Pickersgill (Minister of Transport): I wonder, sir, if the hon. gentleman himself would perhaps bring the matter to the attention of the board, which is a court. He could perhaps give it more details than I could.

LABOUR CONDITIONS

HOUSE BUILDING—REQUEST FOR PLACEMENT OF WORKERS

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I have a question for the Minister of Labour. Has the minister consulted the proposed minister of manpower with regard to the placement in other industries of those displaced from their jobs in the house building industry as the result of a lack of mortgage funds?

Mr. Speaker: Order. This question is of a general nature and should not be asked at this time.

FISHERIES

LOBSTERS—OPENING OF SEASON IN DISTRICT 6B

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of Fisheries. In view of the fact that the lobster season in area 6B opens in two short days, and in view of the fact representations have been made to the minister with regard to a change in the schedule for the opening date, may I ask the minister if he is in a position today to provide any information on the subject?

Hon. H. J. Robichaud (Minister of Fisheries): Yes, Mr. Speaker. In so far as district 6B and the adjoining district 6A are concerned, the hour for leaving the shore with lobster fishing gear will be advanced from 11 a.m. as it now stands to 7 a.m. standard time or 8 a.m. daylight saving time.

Mr. Muir (Cape Breton North and Victoria): On behalf of the fishermen of the area I wish to thank the minister for his good judgment and this prompt and wise decision.

Inquiries of the Ministry

AIR CANADA

WINNIPEG—REPORT OF INQUIRY RESPECTING MAINTENANCE BASE

On the orders of the day:

Mr. W. H. Jorgenson (Provencher): Mr. Speaker, I have a question for the Minister of Transport which deals with the investigations that have been conducted into the removal of the overhaul base at Winnipeg. I understand the Thompson commission report has been in his hands for about two months. Would he advise the house when he intends to make this report public by tabling it in the house?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the hon. gentleman's understanding is a misunderstanding. The report has not yet been received by the governor in council. I hope it will be quite soon. I intend to read it with avid interest the moment I get it. As soon as possible thereafter I shall indicate any action the government feels should be taken consequent upon it.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I put a question to the Minister of Justice?

Is the minister in a position to confirm or deny the rumour that he will resign from the cabinet very shortly?

[*English*]

HEALTH AND WELFARE

FAILURE OF DRUG MANUFACTURERS TO SPECIFY CHILDREN'S DOSES

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, last Friday I asked the Minister of National Health and Welfare a question regarding manufacturers endangering the health of children by not prescribing the dosage of drugs. He said he would take the question as notice. I wonder whether he has an answer ready yet.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the regulations under the Food and Drugs Act provide that drugs that are made for the use of children have the dosage specified. My officers, after considering the question, feel that this matter is looked after within the present regulations because it is not regarded as necessary to specify the dosage of drugs not recommended for children. This is the only case in which it is not done except where it is suggested that the dosage be prescribed by the physician.

RADIOACTIVE FALL-OUT FROM CHINESE BOMB TESTS

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of reports that the radioactive fall-out from recent bomb tests in China is four times as heavy as from former tests, and that this fall-out is expected to descend on North America within a day or two, can the minister indicate whether it is considered this will create a hazard in Canada?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, because of the importance of this question I should like to take it as notice.

MEDICARE—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the statement the minister has made several times recently in speeches he has given outside of the house to the effect that he is confident that a federal medicare scheme will be in operation by the target date of July 1, 1967, can he say what steps he has taken to make sure this target date will be met?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Every possible step, Mr. Speaker, including the preparation of legislation.

Mr. Knowles: May I ask if that legislation will be presented at this session of parliament?

Mr. MacEachen: The Prime Minister stated prior to the Easter recess that it was his expectation the medicare legislation would be on the order paper after the Easter recess, and the intention is to proceed at this session.

UNITED NATIONS

CONSULTATIONS BETWEEN PRIME MINISTER AND SECRETARY GENERAL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct a question to the Secretary of State for External

Affairs regarding the consultations today between the Prime Minister and the Secretary General of the United Nations. Have these conversations anything to do with the situation in Viet Nam or are they to be confined to the Rhodesian problem?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister had made arrangements to see the Secretary General of the United Nations, and while I have every reason to believe these two matters will be discussed I think the main purpose had to do with problems in the United Nations itself.

ADMINISTRATION OF JUSTICE

FRAUDULENT BANKRUPTCIES—REQUEST FOR NAMES OF THOSE INVOLVED

On the orders of the day:

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, has the Minister of Justice received from the hon. member for Yukon the names of those federal officials who, according to the hon. member as reported in today's *Globe and Mail*, are involved in fraudulent bankruptcies?

Mr. Speaker: Order, please. I suggest that question should be placed on the order paper or discussed at ten o'clock.

Mr. Stanbury: I suggest the question is of the utmost urgency, because if there are such individuals they ought to be investigated.

Mr. Speaker: The hon. member can always discuss it on the adjournment debate.

RURAL DEVELOPMENT

PROVISION FOR ECONOMIC AND SOCIAL DEVELOPMENT OF SPECIAL AREAS

The house resumed, from Tuesday, May 10, consideration of the motion of Mr. Sauvé for the second reading of Bill No. C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, consideration of Bill C-151 gives me the opportunity to say a few words regarding this legislation to provide for the establishment of a fund for the economic and social development of special rural development areas.

We will remember that this legislation deals with ARDA and that ARDA legislation was initiated by the Conservatives. It is the hon. member for Qu'Appelle (Mr. Hamilton) who made a name for himself across Canada by introducing this ARDA legislation which was passed on June 21, 1961. Ever since, this legislation has been known in every part of the country for its many benefits and the hopes it gave our farmers.

No need to read very carefully the speeches made when this legislation was introduced to realize quickly that those who today advocate it, who proclaim from the housetops that this legislation is going to meet the aspirations of our farmers, were the very same to censure and ridicule it. According to them, at the time, that legislation could not bring any practical results.

It is amusing to see that today they will try their best to implement legislation that the Conservative party is entitled to claim as is own.

This legislation, Mr. Speaker, will certainly meet the approval of everyone in the House of Commons and particularly of the political supporters of the Conservative party. The needs of our rural economy are urgent and numerous.

• (4:10 p.m.)

It was appropriate that the Minister of Forestry should decide to give our farmers all the attention they deserve.

However, Mr. Speaker, the Canadian farmer is not concerned with the creation of various committees which might consider all the fields of our farming economy. Our farmers are hoping for constructive measures. Through the implementation of Bill C-151 we will certainly have done something constructive for the improvement of our rural economy in a more or less distant future.

This bill provides for an expenditure of $50 million. However, I doubt that this amount distributed among ten provinces, will be adequate to solve this serious problem faced by our rural economy. I think that we should provide an even greater amount to foster this cause, since it is a cause upon which our rural economy is based and which plays such a significant part in the overall economy of our country.

There is another aspect which it might be wise to study specifically: that of jurisdiction in so far as the federal and provincial governments are concerned respectively. It seems the provinces are given a little too much

authority in the matter. This measure being of federal inspiration, it should be directed, generally and efficiently, by the federal government.

I have been prompted to bring up the matter by an article published in *Le Devoir* on June 7, 1964, in which the Quebec minister of agriculture blamed the Minister of Forestry for doing something which, it seems to me the responsible federal minister should not be blamed. In his criticism, Mr. Courcy is reported by the June 7, 1964 *Le Devoir* as saying:

> Consequently, if Quebec, continued Mr. Courcy, considers it untimely and impossible to implement immediately a research program on rural development, it certainly does not behoove the present Minister of Forestry, Hon. Maurice Sauvé, to comment publicly on Quebec's decision, and to thus intrude in our affairs.

I feel it would be advantageous to delineate clearly what jurisdiction falls to each of the two administrations, so that discussions and misunderstandings such as the one I have just reported may not recur in the future.

There is also, in this legislation, a section providing for the setting up of an advisory board. On reading this section, it becomes obvious that only ministers or public servants of the federal government will be called upon to hold office on this advisory board.

It seems to me it would be wise to take advantage of the knowledge of representatives of the agricultural people and to secure their assistance in a successful war against rural poverty, in the province of Quebec as well as in the other provinces.

Mr. Speaker, for 50 years now there has been a continuous decline in the importance of the agricultural contribution to the general economy of the province of Quebec.

During those 50 years, farm labour decreased proportionately from 30 to 10 per cent of the total labour force.

In 1957, agriculture in Quebec, for instance, produced 5.4 per cent of the net product. In 1951, 230,000 Canadians earned a living in agriculture, roughly 16 per cent of the total national labour force. In 1961, the number of farm workers had slumped to 142,000, that is approximately 8 per cent of the total Canadian labour force. From 1939 to 1960, in spite of the fact that farm labour decreased by about 50 per cent, the Canadian farmer had produced twice as much.

This means that agriculture in Canada is being completely transformed, and that it would be timely to give it all the attention required, so that those talents that are indispensable to the success of agriculture in Quebec, as well as elsewhere in Canada, might not be lost.

It is a well known fact, Mr. Speaker, that country life has a tendency to make our young people shy away from the farm.

Our youth migrates increasingly to the towns. Of course, in the country, hours are longer and living conditions are more difficult than in the city; so, young people are discouraged by the fact that their parents cannot help them much to settle on farms.

Therefore, the credit given to the farming community, which is one of the best creditors one can find, should not be reduced but increased so as to allow young people to settle on farms, for if we let family farms disappear we will undoubtedly find ourselves in a difficult situation one day.

Farming, like any other profession, can be learned. It is learned more easily and more rationally in the company of one's parents, brothers and sisters. There will always be a place for family farms.

The trend today is towards larger farms and farming is considered as some sort of ever expanding business. But I am convinced there will always be room for the family farm. A man does not need a large farm to make a living for himself and his family.

I should like here to tell you of a personal experience which occurred in my riding. In the parish of Saint-Dominique, there is a strip of black soil which was practically untilled some 20 years ago. Every summer, drought fires would often start on this land, an easy prey to them, and thick, bitter smoke would rise, spreading even to the town of Saint-Hyacinthe.

Immigrants arrived in the country shortly after the war and bought these lands for ridiculously low prices. They worked them scientifically and made them so productive that those who sold them now wish they owned them.

Mr. Speaker, this is to show you that the important thing is not so much the size of the land as the intelligence and practical sense of the farmer who uses scientific methods to make his land productive.

Every day during the season there are dozens of workers in the parish harvesting the crops and sending on to the great centres the produce of these lands considered unproductive only a few years ago.

Mr. Speaker, before concluding my remarks, I should simply like to point out the great urgency of giving every consideration to the problems of rural life. The farmer is now squeezed between a high cost of living and the cost price, while the sales price of his products has remained almost unchanged in the last few years. The cost of living is rising continually and the farmer is forced to make one loan after another to meet his obligations.

This is not a normal state of affairs and, sooner or later, unless the necessary remedies are found, the farmer will tire and make demonstrations as he has done in the past. We should remember the march on Quebec last year or the year before and the blocking of roads by the farmers in order to understand what this usually peaceful class can do when it decides to take matters into its own hands.

Study groups are springing up everywhere. The Catholic Farmers Union is on the alert. The farmers are ready to follow their leaders and to expose their views whenever it is deemed proper and advisable.

Unless the federal government assumes its responsibilities and creates conditions which will allow the farmers to continue feeding the nation, we will have to ask ourselves whether we have really done what we should. Our duty is to conceive legislation which is general in scope and which will give the farmer his due, that is a fair share of the national revenue.

• (4:20 p.m.)

[*English*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, having spoken at great length on the resolution preceding the bill I simply rise now to express my support for the spirit, principle and purposes of the bill which is actually, shall I say, another brick in the foundation laid by the former government and in particular by the hon. member for Qu'Appelle (Mr. Hamilton) when he introduced the ARDA legislation whose principles are found in this bill. A lot of experience has been gained since that time.

The debate on this bill has been a demonstration of democracy in action. The bill was introduced by a forward looking cabinet minister who has ideas. It has been supported by a Progressive Conservative member who is the scion of a very famous manufacturing family. I refer to the hon. member for Northumberland (Mr. Hees). It has been wholeheartedly backed by a backwoods socialist rancher, the hon. member for Kootenay West.

I am very pleased to see the unanimity of agreement on the principle behind this bill which has received the support of those who live in near-castles and of one who is content to end his days in a log cabin. As you can see, Mr. Speaker, it has received wide support in this house.

I rise to say briefly that I support this measure first of all because it reflects as is felt on all sides of the house, an appreciation of rural life and its value to Canadian society. I am quite sure that many who have spoken on the bill have spoken from a background of experience sometimes gained in early youth.

Let me say that I support the bill, first, because within its scope it will assure a continually adequate supply of efficiently produced food and fibre to meet our national requirements and our responsibilities to less fortunate people.

Second, it aims to foster conditions which will promote living standards for farmers and rural people comparable with those of workers in other occupations. I point out that the concept of the bill is somewhat more expanded than the original ARDA concept. The bill, as I understand it, will provide for the establishment of rural communities, an increase in small industries and operations of this type.

Third, as I read the bill it will assist in the maintenance of the economic farm unit and the continuance of healthy and productive rural communities which historically have provided a healthy, human injection into urban life.

Fourth, I support the measure because it will assure the conservation and wise management of our basic soil, forest and water resources, within its limited field of action.

I am sure, Mr. Speaker, that we all freely admit that this is experimental legislation which will require determined application by the government, the co-operation of the provincial governments, and the participation of large numbers of Canadians through the various organizations that they support. While this bill provides for an expenditure of only $50 million, this figure can be quickly increased when the work undertaken under this legislation proves itself successful, proves its popularity and is endorsed by the people it is intended to serve.

I think I said that the bill provides for experimental legislation. I am rather conservative in many respects, you know, Mr.

Speaker. I never like coloured socks and things of that sort. I am quite conservative where finance is concerned. I always want to know that two and two make four. I think it was very wise not to launch into a crash program but rather to proceed cautiously and, on the basis of the experience we are able to gain from year to year in the various regions of Canada, solve some of the problems. For instance, the problems that we might find in Quebec are quite different from the problems in Ontario or the problems in the prairie provinces or even the problems related to the regions I have the honour to represent, which are in the garden of Eden. The minister will have much less difficulty in applying the terms of this act to that area.

I think it was wise to limit the amount of money to be expended at this time. I believe that the idea that the money supply can be expanded very rapidly as the principle of the legislation is proven is correct. In addition to having the support of all hon. members in the house, the bill has the support of the Canadian Federation of Agriculture, farmers' unions, fruit growers organizations, farmers' and women's institutes and other community groups, particularly those rural community groups which are interested in co-operating with the government and with the groups directly concerned in making a success of this legislation.

I want to conclude on a personal note, Mr. Speaker. I rarely do that. As president of Canadian Tree Farmers Association I wish to quote from the minutes of the annual meeting which was held in Ottawa on Saturday, March 26, this year:

> On the recommendation of Mr. John Carley, chairman of the Ontario branch of the C.F.T.A., the members approved a resolution, that an advisory board to ARDA and similar programs be established, consisting of representatives from all farm associations and organizations, interested in what ARDA, and related programs are trying to do.

• (4:30 p.m.)

This was endorsed unanimously. Representatives of our organization are meeting with representatives of the Ontario Federation of Agriculture and with other groups in Quebec.

I can assure the minister that he has the good will and support of the Canadian Tree Farmers Association with respect to rural development in Canada. I trust every effort will be made to secure public interest and participation in this program by means of information provided by the department itself through government publications, through the press and particularly through those papers and periodicals which are concerned with the maintenance and improvement of rural life in Canada.

[Mr. Herridge.]

Mr. P. V. Noble (Grey North): Mr. Speaker, I support Bill C-151 because the Agricultural Rehabilitation and Development Act has become a sound establishment in our way of life and the $50 million stipulated in the legislation is a reasonable sum to allocate for the purposes of this measure.

Action in this field is the brain-child of a man of vision in a Conservative government and has caught on rapidly since its inception in 1961. It is particularly applicable to the area which I represent as we have an abundance of marginal land. Our whole economy has suffered from lack of industry. The Georgian Bay area has now been designated after two years of almost continual appeals to the government for justified consideration. With the benefits of designation and the proper application of ARDA the Georgian Bay area could become a most desirable place in which to live. We have all the other desirable characteristics such as good beaches, plentiful camping sites, fine scenery, good hunting and fishing.

I support this bill because I believe it to be progressive legislation. It will provide the proper atmosphere for a vast scope of possibilities essential to the improvement of rural income and the restoration of many natural resources so vital to the accomplishment of the desired result. The benefits it can render to the whole nation are almost unlimited.

The rejuvenation of rural areas will help simplify educational problems and other aspects of communities which are blighted when deterioration has taken its toll. I suggest that a thorough survey of the whole country be conducted so that those areas which should benefit will not be neglected. I endorse the idea presented by the hon. member for Northumberland (Mr. Hees) when he suggested that well publicized meetings could be held in areas in need of attention. At these meetings speakers would be available to explain in detail all the ramifications of ARDA. More personal interest would surely be forthcoming and this would contribute to a better result.

In my constituency of Grey North and the surrounding areas we have some fine farms and progressive people. We also have many

marginal and submarginal farms which do not make sound economic units. Many of these farms are being vacated and sold to holders of larger units. However, others who have perhaps spent their lives on these farms, as did their parents before them, are reluctant to leave. Anything which would supplement their incomes so that they could continue to live on these farms would be acceptable. With these people in mind I will make some suggestions which I think will be helpful.

The government could assist by soil testing and other research necessary to provide a sound basis for any of these operations. Financial assistance will be a necessity in some of these fields of endeavour. I am thinking now of enterprises which could be satisfactorily adopted by family units. We have many areas suitable for blueberry production on which the Department of Agriculture has up to date information. Other low-lying areas could be utilized for the production of cranberries. Marked success has been achieved by several in this field. This could also be said about blueberry growing, especially in Newfoundland where this is a million dollar industry.

I had an opportunity on a recent visit to the southern part of New Jersey to talk with a man who had a blueberry plantation with four acres under production. This area was unsuitable for other agriculture as it was low-lying and sandy. However, it appeared ideal for the raising of blueberries, and this man was able to make an annual income of $10,000. He grew special types of cultured blueberries and no doubt had the knowledge required to propagate them. Nevertheless, I believe there are many similar areas in this country which would be suitable for such an operation.

Game farming is relatively new and offers excellent opportunities. Pheasant and other game birds are raised to supply the ever-increasing number of hunt clubs. A few game farms offer sportsmen the opportunity of hunting pheasant and other game birds on a per day or per bird basis. These birds are produced on the farm and released when stock on the preserve is in need of replenishment. Many more such farms will be required to supply the thousands of sportsmen who would like to hunt where game is available.

While I am on the subject of catering to sportsmen I would like to mention fish farming as another means of bolstering the rural economy. We have thousands of sports fishermen searching the country for streams, ponds or lakes which might yield some reward for their hours of angling. Many farmers own excellent locations for the development of fish farms. I might add that thousands of fish farms are being operated profitably in the United States. We do have some such farms operating successfully, and these derive most of their revenue from supplying large hotels and restaurants with speckled and rainbow trout. Many more people could be absorbed in this industry.

Fur farming has made a worth-while contribution to rural life in Canada over the past 50 or more years. The production of mink is the major operation in this field. Canada was the originator of this industry but today, with a world production of 20 million mink pelts, Canada provides only one and a half million. Some impetus will be registered in this industry no doubt as the result of an American rancher selling black mink skins at the New York auction on May 4 last for $1,100 each.

This country imported over $25 million worth of fur in 1965. This is a perturbing fact when we consider we are traditionally a fur producing country. For instance, we imported over $2 million worth of muskrat fur which could have been produced in our own marshes and lakes. ARDA, through the provisions of the measure before us, can create the proper environment by way of water conservation and resource management to remedy this situation and add substantially to rural incomes.

An organization which should be encouraged is a group of farm people who have banded together for the purpose of promotion of an enterprise known as "Farm Vacations". The idea has now spread to several provinces and each year more farmers will identify themselves with the enterprise and share and expand its possibilities. These farmers supply accommodation in their homes to urban families seeking an opportunity to enjoy rural life. This sort of holiday is becoming very popular because whole families can now enjoy a splendid vacation at reasonable rates in an environment which is healthy and appealing to children.

Many farms throughout the country possess spacious homes which provide ideal circumstances for the promotion of farm vacations. Of course, these people are quick to provide other attractions of which there is a large variety. Farm vacations open an avenue by

which farm people may secure a larger share of the tourist dollar. A sugar bush can be maintained on rough areas which are unfit for agriculture and, properly managed, can be the source of extra revenue to the family farm.

• (4:40 p.m.)

These sidelines which I have enumerated could be promoted on family units over a wide area of the country. Some of the projects would lend themselves also to specialization. I draw attention to them in the hope that provincial governments or agencies thereof, through the provisions in this bill, might promote them among the rural people, 20 per cent of whom now operate farms which yield less than $1,200 a year to their operators.

It has been mentioned that marginal and submarginal farms could be converted to forest or tree farms. The Christmas tree farm is the only part of this program that would make a practical operation for individuals. Other reforestation of any magnitude is a long-range program and would of necessity be the responsibility of large pulp and paper companies, the provincial and federal governments, or all three working together. This bill provides for such action which should be one of the projects for immediate consideration and expansion.

Reforestation of large areas which have been timbered is taken care of to some extent by nature but these areas, if properly managed and if proper trees are introduced, would in the years ahead be much more productive. This holds true in my part of the province where we had many fine stands of hardwood but these areas are now cluttered up with tree tops and brush. They are of little value as pasture land and reforestation is the only hope of putting such properties back into useful production. Since we have such large areas denuded by timber exploitation and erosion, our water levels have dropped so that many wells go dry for several months of the year. Through the ARDA program and the provisions of this bill we have some hope of rectifying the situation, and I feel sure this can be accomplished with an accelerated reforestation program.

I would suggest an immediate survey be made of the facilities available throughout the country for the production of seedlings. If more accommodation is required to supply the quantities needed, steps should be taken in co-operation with the provincial government to get these establishments under way promptly. Reforestation, it seems to me, offers the best means to the result which we hope will be accomplished when the principles of ARDA are applied which is, to state it briefly, to promote conservation in all elements and create better circumstances for rural people in the unsatisfactory income brackets. The benefits of reforestation would affect our whole economy. We have much secondary industry which is dependent on forest products. Wood has never been replaced as man's most valuable servant. Instead, thousands of new uses have been found for it and old uses have been continually improved.

Most of western Ontario is vitally concerned with the matter of water. Cities are exploiting the areas adjacent to them and rural people in these areas are having trouble keeping a constant supply of water. Reforestation in the proper places can do much to relieve the situation. In the county of Grey there is the highest point of land in Ontario, 1,735 feet above sea level. This is the great watershed of a large portion of western Ontario. This great ridge encompassing approximately 40,000 acres should be completely reforested. In so doing results would be forthcoming and in a comparatively short time the Grand, the Humber, and the Credit Rivers which flow south, the Saugeen and the Sauble which flow west, and all the streams and rivers flowing north into Georgian Bay, could be restored to their natural flow with the assurance that spring floods would be at a minimum. The same program could be instituted at the headwaters of all western Ontario rivers or in any other province where such conditions exist.

Without a doubt the day is not far off when this program will be an absolute necessity. I would commend it for early consideration under this legislation with the co-operation of the provincial government. These 40,000 acres of which I speak could also serve the purpose of a national park and game sanctuary. Under the authority of this bill more suitable areas should now be designated for national parks while choice virgin timbered locations are still available. Fire and exploitation have lost to our people some ideal territory for this purpose. More game sanctuaries are required if we are to maintain wild life populations. We have thousands more joining the ranks of our hunters each year, and sport magazines continually report the scarcity of game in widespread areas. This is particularly true of the whitetail or red deer. Submarginal land or wasteland could be converted to suitable

game sanctuaries. Our local conservation authorities are to be commended for the remarkable contribution they have made already toward restoring our natural resources. ARDA provides legislation that will extend the help and direction the authorities have hoped for and of which they will not hesitate to take advantage.

This government, Mr. Speaker, should give some thought to introducing legislation in respect of the future settlement of all new areas in our country so that many of the obstacles we are now legislating to correct would be avoided. Surrounded by a wealth of natural resources that seem inexhaustible, the pioneer in any area naturally shows more energy in using what is at hand to keep himself fed, warm, clothed and in business, than foresight in preserving any of it. I believe all the land we have that is suitable should be kept for the production of food and especially wheat. This is a commodity that can be stored for lengthy periods. It is used for food the world over. It is not difficult to handle or transport. It could be our most potent weapon for maintaining peace. It could save millions of lives. It could save our own if great catastrophe overtook us. Our great western plains are reputed to be the bread basket of the world and, as such, they should continue. More of our wheat should go to those now starving. This will not hurt our market because these people are not in a position to buy. However, such humanitarian treatment could win them over politically now and for mutual economic advantage later. I believe there is much truth in a statement once made by the late President Kennedy when he said: "If a free society cannot help the many who are poor, it can never save the few who are rich."

Perhaps too I should bring to the attention of the house a quotation from Scripture which applies at this time and which comes to us through the prophet Isaiah.

> And they that shall be of thee shall build the old waste places: thou shalt raise up the foundations of many generations; and thou shalt be called, The repairer of the breach, The restorer of paths to dwell in.

In conclusion, Mr. Speaker, I trust that the minister will review the suggestions and directions which have been brought to his attention by several members. I am sure they will be of assistance to him in bringing into fruition the visions we have for this great nation.

• (4:50 p.m.)

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to say a few words first to congratulate the government and the minister on the very commendable action they took by introducing this beneficial piece of legislation.

Indeed, since he took up his duties, the present Minister of Forestry (Mr. Sauvé) has shown quite remarkable initiative and energy, in addition to his determination in dealing earnestly with the true problem which affects the farm people.

The resolution now under discussion undoubtedly reflects his intentions and his fruitful action.

As a matter of fact, the bill under study comes under a very specific program of which three definite objects are now being materialized. The thing is, first, to promote the welfare of underdeveloped areas; second, to speed up industrialization of rural areas; and, third, to check underemployment and promote employment in agricultural areas.

During my brief remarks, I should like to express the hope that when implemented, this piece of legislation, will tend to eliminate the pockets of poverty which sometimes occur within prosperous areas.

I do not wish to make unfavourable comments about the pilot area set up and established in Mont-Joli. But the following procedure has often been followed in the past. A so-called underdeveloped area was looked after while small communities where people lived in dire poverty and destitution were being overlooked in areas alleged to be rich and prosperous.

I am thinking, for instance, of the riding of Lotbinière which is essentially rural and which I have the honour to represent. In certain parts, there are farms which are not only economic, but exceptionally prosperous and where the land is very fertile. But close by are communities and small villages, called settlements, which are deprived of the minimum well-being all people should enjoy.

As a result, here is the wish I should like to formulate during consideration of this bill: That we cope not only with these areas but also with the small localities scattered among the prosperous areas, localities to which absolutely no attention is paid because they are thought to be prosperous, considering they are situated within general prosperous areas.

Before closing, Mr. Speaker, I should like to give the following warning. The electoral map which was hotly discussed in the house some time ago will soon be changed. The new boundaries will be in force at the next election which means that the farmer is in danger of losing his voice. Representatives of rural constituencies will gradually disappear with the new electoral map. I do not mean to question the necessity of the new boundaries which will affect every constituency in the country, but I observe one thing and, as a result, I am giving the necessary warning. It is that the farmer is in danger of losing his mouthpiece; his voice is in danger of being stilled precisely because the new electoral map will make urban constituencies out of the greatest majority of constituencies represented in parliament. Rural constituencies are condemned to elimination and, as a result, the voice of the farmer is in danger of being neglected and unheard.

That is why such legislation is so important, so that members, even though they represent largely urban ridings, will continue to be actively and efficiently concerned with the farmers.

[*English*]

Mr. J. H. Horner (Acadia): Mr. Speaker, in rising to take part in the debate on Bill C-151 I should like to preface my remarks by stating that as a member representing a constituency which lies in the semi-arid area of east central Alberta I have watched the progress of the ARDA program since its inception in 1961. The new conception of ARDA which has come into effect since 1963 has been of interest to me and my constituents. We have looked upon this program as one which could mean much to us in the years ahead. Since 1963 it has been redirected from a war on underdeveloped resources to a war on poverty. However, as someone once said, this is not a war on poverty; it is an exercise in shadowboxing.

If under this new bill it is proposed to redirect aid provided through ARDA toward the government's war on poverty one must ask how it coincides with other government legislation. We have been told that a new agency will be set up under this new legislation to buy out small, uneconomic farm units and enlarge them into larger economic units which can be operated efficiently. I hope that in at least some cases the enlarged units will be sold back to individual farmers.

[Mr. Choquette.]

In essence the operation of such an agency will put the government into the business of purchasing real estate and operating farms. What effect will this have on the price of land, which is already skyrocketing to a point that cannot be justified on the basis of the potential value of production? What effect will this have on agriculture generally?

Members of political parties have been travelling across this country for years proclaiming that we must maintain the family farm; yet we find ourselves faced with a bill which would establish what might be termed state farms. It is very interesting to note in this regard that we in Canada have operated more efficiently and outproduced the Soviet Union; yet the Soviet Union has been operating a system of state farms. One could carry on comparing the advantages and disadvantages of the two systems of production and come to no other conclusion than the one I have drawn, that in spite of the problems we have in our system it is better and more efficient than the state farm system.

The proposed legislation is put forward under the guise of making war on poverty by aiding small uneconomic farm units. Let us consider that proposition for a moment. I do not deny that there are a number of small farms in Canada with low incomes but the proposed method of assistance is not the only way this situation can be changed. I should like to suggest a few alternatives.

In those areas of Canada where uneconomic farm units exist educational courses could be provided. A farmer who finds himself operating an uneconomic unit has two avenues open to him. He can acquire a better education through one means or another, through grants, if necessary, or by taking advantage of educational programs introduced by the federal and provincial governments in order that he may know how to produce more efficiently, or he can borrow money to enlarge his unit and intensify his production. As an example of what I have in mind, one does not need virgin land with heavy black soil to produce hogs, beef or poultry efficiently. The farmer can intensify his production without enlarging his farm unit to any great extent. I suggest these are methods which can be followed in our efforts to eradicate the poverty pockets existing in Canada.

• (5:00 p.m.)

This legislation introduces a new approach, one in which the government singles out areas in Canada and says that because areas

A, B and C contain a substantial number of low income groups something must be done about them. The government says, "We must move in with federal government funds", the taxpayers' money, "and take over the operations in these communities." I would much rather see ARDA move into undeveloped resource areas and develop the resources so the people in these areas could attain a standard of living comparable with that of the rest of Canada. In addition, greater use would be made of Canada's resources. Are we going to move into private members' hour, Mr. Speaker?

Mr. Deputy Speaker: Yes. Perhaps the hon. member would like to call it five o'clock.

Mr. Hamilton: Mr. Speaker, in view of the fine debate yesterday and today on this subject, I would suggest that to provide continuity we continue until six o'clock or thereabouts to see what we can do with this legislation. In this way we will not break our train of thought.

Mr. Starr: Mr. Speaker, I agree with the suggestion of my colleague but would add that there should be agreement that we will complete this bill before six o'clock.

Mr. Walker: Mr. Speaker, my notice of motion would be the first item dealt with in private members' hour but I certainly agree with the suggestion that has been made.

Mr. Knowles: Mr. Speaker, we are quite agreeable to suspending private members' hour today for this purpose.

Mr. Starr: I want to stress the one point I added as a rider, that we all agree to and co-operate in getting this legislation through before six o'clock; otherwise there would be no point in dispensing with private members' hour.

Mr. Deputy Speaker: Order. I should like to be quite sure what the hon. member for Ontario is saying. Does he mean just second reading of the bill or does he include consideration of the bill in committee?

Mr. Starr: Consideration of the bill in committee and right through third reading.

Mr. Peters: Mr. Speaker, I think it unfair to ask for this kind of decision. I would certainly agree that we continue the debate in the normal course and if it is not finished tonight it will obviously have to be concluded at some other time. But I think it would be very foolish to agree to concluding the discussion of this bill and giving it third reading when we are still at the second reading stage.

Mr. Starr: Then I must say that I think we would be encroaching upon private members' hour for no particular reason except to provide an extra hour's discussion of this bill that could be provided tomorrow. During the session we have 40 hours for the consideration of private members' business and we have been encroaching upon that period. Unless we do as I suggested I see no point in suspending private members' hour.

Mr. Deputy Speaker: Order. Is there unanimous consent to adopt the suggestion made by the hon. member for Qu'Appelle?

Some hon. Members: Agreed.

Mr. Peters: No.

Mr. Deputy Speaker: There is not unanimous consent.

Mr. Ricard: Objection always comes from the same corner.

Mr. Knowles: Mr. Speaker, could not the proposition be separated into its two parts? Could we not see whether there is unanimous consent to waiving the hour for private members' business and then deal with the other matter at six o'clock?

Mr. Deputy Speaker: Does the house agree to dispense with private members' hour and continue with the debate on second reading of Bill No. C-151?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for Acadia.

Mr. Horner (Acadia): Thank you, Mr. Speaker, for allowing me to continue my remarks. Before the interruption I was saying what this legislation will do and how it will redirect ARDA's thinking. In fact it is my belief that it will devour ARDA's thinking. In other words, when ARDA was first introduced it was my impression and the impression of all hon. members in the house that it would be used to develop Canada's undeveloped resources so that Canadians might be better able to provide for themselves. But since 1963 ARDA has moved toward this supposed war on poverty, and I believe the intent of Bill No. C-151 has consumed ARDA's thinking since 1963. If it is passed too readily and adopted unanimously I am afraid

it will consume ARDA's thinking in the years ahead.

In this regard we must ask ourselves what is best for Canadians. Is it some assistance, some welfare measure, which will eradicate the poverty pockets in Canada, or is it some measure that will develop the undeveloped resources across this counry and allow Canadians to provide for themselves? It is my firm belief that Canadians want the opportunity to provide for themselves and do not want the government buying their land and saying: Go into the city; we will educate you there and then you can fend for yourselves. This might suit a lot of people but it is my belief that farmers are farmers for a number of specific reasons. One is that they love the freedom of farming. Second, they love the outdoor work. Neither of these desires can be met by city employment. If this legislation is passed and projected into the future it will take peoople off the farms and put them in city employment where they will lose the freedom they cherish and their desire to work outdoors away from the smog and fog of city life will not be met.

Therefore we must consider this legislation very carefully. I am in favour of making every effort to eradicate poverty pockets in Canada if it is the intention of the government to help the small farmer to farm in these poverty pockets. Twenty or thirty years ago the farmer was sustained to a large extent by his egg cheque, his poultry cheque, and in some parts of Canada by the pulpwood he could cut during the winter. In one province premiums of over $10 per hog are paid. These premiums are in effect a subsidy. As a farmer myself I am not against subsidies. In fact, I am as much for subsidies as the next fellow. But in effect a subsidy of $10 is paid to the farmer for every hog he raises. This payment is made in a province of Canada where in rural areas the farm income is perhaps the largest in the country.

Therefore I would ask, Mr. Speaker, how does this legislation correspond with other policies of the government? Recently the government announced a price of $4 a hundred for milk. Whom is this supposed to help sustain? The answer is, the small farmer. What will this program cost? It will cost something like $10 million a year. I am not opposed to it; I think it is a good idea. But on the one hand you are sustaining the small farmer and on the other you are trying to buy him out and force him off the land.

[Mr. Horner (Acadia).]

We are told that a feed grain agency is to be set up in eastern Canada. This will allow the small farmer to buy grain at a price he can afford and will enable him to carry out his feeding or farming operation, whatever the case may be. With regard to the feed grain policy, in the province of Ontario, for example, something like 80 per cent of the production on agricultural land is produced by 30 per cent of the farmers, another 30 per cent of farmers produce 17 per cent and another 30 per cent the remaining 3 per cent. Taking that province as an example I say that the feed grain agency is not going to maintain or sustain the 30 per cent producing 80 per cent of the production. What the feed grain policy may do is to improve the assistance to the 30 per cent who are producing 3 per cent of the production. So I say to the minister that before he catapults the government of Canada into state farming and state agriculture he should review the over-all agricultural policies to see whether or not the intent of this legislation is carried out in other policies.

• (5:10 p.m.)

Who would be most affected by the feed grain policy, for example, or the freight assistance on feed grain coming from western Canada? The answer is, the large farmers. This may be good from the viewpoint of this legislation, but what I am trying to point out here is that there is no continuity in government legislation. On the one hand, in many cases we are sustaining the small farmer; on the other hand, we feel that we must buy him out and move the government into state farming. This is exactly what this piece of legislation does.

We are told that $50 million will be provided under agreements with the provinces. The agency is prepared to spend this $50 million in the next five years in buying up small farms. I suppose if I were 70 years old and had no dependants I would be the first one to approach the agency for it to buy my small farm. I suppose many farmers will greet this legislation with the view that if an agency is prepared to buy their land they are prepared to sell. But I would like to know how far this will catapult the government of Canada into state agriculture. In other words, the funny thing about legislation is that once it is on the statute books the money involved very rarely diminishes. We have $50 million for five years. From my experience in this house

I say that when the five years have passed by $100 million will be appropriated for the next five years and more land will be purchased.

As can be seen in the Canada Year Book, the percentage of land owned by farmers in Canada has increased from what it was in the 20's and 30's. In other words today most farmers are farming land they own; a far greater percentage are farming land they own than was the case in the 20's and 30's. Will that trend continue if we pass this legislation and endorse it wholeheartedly? As I said before, it is my experience in this house that once legislation is on the statute books the money involved rarely diminishes. We have $50 million appropriated today; five years from now it will be $100 million and later another $100 million. More money is appropriated because more pockets of poverty exist, and away we go. Maybe nobody really knows where it ends.

I hope that when this piece of legislation passes the minister responsible for ARDA will not let it take up all of his time or all the time and energy of the department. I hope he will continue the original intention of ARDA to find pockets or areas in Canada where vast resources remain undeveloped. The whole central part of Alberta might well be said to be rich in soil containing the most valuable resources in Canada. However, it is also very weak in the development of that soil because today it has a very sparse population per square mile. In other words, we have a vast potential which could be developed under ARDA, and many other areas in Canada could also be developed. Resources could be developed so that intensification of population could be achieved rather than go into areas where income is low and take the people off the farms and move them into cities. Let us take the low income people in the cities, many of whom desire to go back to farming, and develop the agricultural land throughout Canada. In many cases those in the low income group in the cities desire to go back into agriculture and they should be given an opportunity to do so.

It is a popular belief, inspired by many newspaper articles on agriculture, that the small farmer must go. Every professor in every university will say that the small farmer must go. In many cases the small farmer does not want to go; he wants to remain a small farmer because he likes farming. He does not want the burden of debt. He does not want financial worries; he only wants to remain on his farm and earn his living. In the Kootenays, in Acadia, in Quebec or in any other part of Canada we must give him the right to remain small if he so desires. We cannot suddenly say to him through government legislation: You are uneconomic and because your neighbour wants to sell you must sell; we will force you to take up another line of occupation and move elsewhere. We in this country who share his freedom must guard against the ever-expanding system of state farms which this legislation may well bring about.

• (5:20 p.m.)

(*Translation*)

Mr. Gaston Clermont (Labelle): Mr. Speaker, I had expressed my intention to make a contribution to the debate on Bill C-151, which I strongly support, but so as not to delay its passage, I shall summarize my remarks in one or two minutes.

Yesterday, the Minister of Forestry (Mr. Sauvé), who is responsible for rural development, mentioned the purposes of this new legislation in his very detailed statement. He said among other things, that three areas, one in Manitoba, one in eastern Quebec and one in New Brunswick, would benefit from this new legislation which, with ARDA, will step up the war against poverty in rural areas.

Mr. Speaker, I take the liberty of adding another area, that of western Quebec, it could adjust very well to this new legislation. I refer to the Rouge river valley, of which the department has had a study made by a company directly concerned with rural development. Its 2,000-page report covers that 2,500 square mile area which has a population of 25,000 and includes 31 municipalities.

Here, I also want to mention the Little Nation valley, the Lièvre valley and the Gatineau valley.

Another preliminary report in the hands of ARDA was prepared by the Canadian Welfare Council concerning poverty in rural areas and deals with three provincial counties, Papineau, Gatineau and Pontiac.

I would have liked to add further remarks in this regard for the regions I have just mentioned, but I think the Minister of Forestry could use the power conferred upon him by section 4 of Bill C-152 to make a study.

Therefore, I suggest to him, Mr. Speaker, that he make a study of the four western Quebec valleys I have mentioned, with a

view to making available to them the advantages of ARDA or those of the new Bill C-152.

[*English*]

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, there are a few points which need emphasizing in connection with this legislation. First of all, I want to know from the minister if in arranging these agreements with the provinces there is any thought of expropriating land. I want to know the answer to that question before I vote in favour of this legislation. I want it clearly understood that there is going to be no attempt to expropriate land owned by the so-called small operators. In so far as this program is concerned, it is true the small farms do present a problem. When I refer to "small farms" I am referring to farms comprising half a section of land or in some areas even a quarter section. There are no criteria that the Minister of Forestry (Mr Sauvé) can produce, or anyone else for that matter, to show that all these so-called small farms are uneconomic. The person operating such a farm may wish to live in the country and may have a supplementary income. In those instances the farm is operated to very good advantage.

One of the objectives of this measure might be to expropriate land in order to assemble a unit. Any such attempt would be going contrary to the interests of the small operator and against the wishes of those interested in agriculture. It would meet with serious objections from the farmers themselves and from all those who have a lot of confidence in the ARDA legislation. Like the hon. member for Acadia (Mr. Horner), I feel that if we develop our resources under ARDA we will automatically begin to eliminate poverty. You cannot look at one without the other. If you take an area that has extensive resources and develop those resources, you are going to create greater employment for the farmers of that particular area. On the other hand, if you set out to operate your programs only in those areas where there is poverty you are going to be just sweeping in the corners in so far as solving the problems this act was designed to solve is concerned.

In other words, you must look at the resources first and rely upon a certain amount of internal migration. The outcome of this will be that the resources will be developed and employment will be supplied. I have a feeling that the minister, as a result of his surroundings and his understanding of these problems, has given too much emphasis to the question of poverty. We all want to eliminate poverty. I am certain it can be eliminated if the resources of our great dominion are developed. The first consideration, therefore, should be the development of resources. This should be the touchstone. It was the touchstone when ARDA was first implemented, and that should not be changed in order to give consideration to the question of poverty.

Poverty is an important problem, and by all means we want to eliminate it. However, this can only be done if we take the natural resources and combine them in terms of units which will support the population in the area concerned. The citizens with low incomes are now to be the touchstone of this particular measure, as I read it. I am wondering whether the minister, in addition to the answer I have requested about the expropriation of land, can give to the house the orientation he intends to adopt with regard to the agreements with the provinces.

Can the minister say that the steps which the provinces will take will be to develop resources rather than to eliminate pockets of poverty? As I have said, we want the pockets of poverty eliminated but we do want an approach that will develop the resources of our nation and not only the mineral resources but those that have to do with the farming industry.

While these resources should be developed, I want to say too that the Minister of Forestry, who is going to be the minister in charge of this program, should include Indian reserves in the program. I have some 6,000 or 8,000 Indians in my riding. I want a program started on these Indian reserves. These are places where the people have low incomes. They have their Indian reserve lands, and I am certain that any program that could be developed with the help of the federal government would be welcomed by them. Since they are natives of our dominion they should not be overlooked, but no mention is made of them in this legislation. In other words, here is another measure which seeks to correct poverty but does not mention Indian reserves. These reserves are the areas in which you will find the greatest poverty in this great dominion of ours.

I say again that I would not be in favour of this legislation unless it is the intention of the minister to direct some of his attention to the solution of the problem of poverty through

the proper utilization of resources and the adoption of programs for these Indian reserves.

• (5:30 p.m.)

Hon. Hugh John Flemming (Victoria-Carleton): Mr. Speaker, the comments I feel impelled to make in connection with this bill are not lengthy, let me assure you, but so far as agriculture is concerned I feel that the bill is an important one. It has a good many ramifications which I think will be of general benefit to people making a partial living on a small farm and who devote some other portion of their time to working in a nearby urban centre.

I think it is proper to pay some tribute to the hon. member for Qu'Appelle (Mr. Hamilton) in relation to this whole idea and the previous legislation which set up ARDA. I also feel I can properly say that I think we are fortunate, inasmuch as we on this side of the house, do not seem to be able to take the duties of administration entirely upon our shoulders, in that the present minister will, I am sure, do a most creditable job both on his behalf and on behalf of the country.

I believe we must consider the social aspect of the maintenance of the small farm. It has always been my feeling that a special situation exists in relation to maintaining the farmer in a small community. He is the person who contributes to the upkeep of the local church and the local school. He is the person who, in general terms, is the foundation of the rural communities which I think are tremendously important to this country.

I realize that in this day and age there is a definite trend toward the larger farming unit. I appreciate this is due to the mechanization of farming which involves the purchase of very expensive machinery and can only be undertaken by a man in possession of a large acreage of land. As a consequence the trend is away from the small farm.

However, I maintain that this legislation can be used to encourage the small farmer to stay on the farm. We who represent rural communities know that all you need do to find many abandoned farms is to go across the country. These farms are abandoned in many cases owing to the fact that the farmer found it difficult to maintain his family.

I have heard it said that such land should be used to grow trees instead of crops. In my part of the country many of the abandoned farms are now sought after by large food processing plants such as those in my particular part of New Brunswick. This is because the soil in regions isolated from the general activities of everyday life is practically free from all disease. As a consequence such land is sought after by food processing plants. I find that in my part of New Brunswick this is becoming more and more the case. To my own knowledge these plants are moving away from the thickly settled areas in an attempt to obtain land which has a certain freedom from disease in order to produce crops for which freedom from disease is most important.

Therefore, Mr. Speaker, I would submit to the minister that he should not take as gospel that every acre of cleared land in what might be called back settlements must of necessity be used for tree growing. The soil should be carefully examined and analysed. I do not pretend to be a practical farmer because I am not. But I do know that soil in certain places has characteristics which lend themselves to the growing of certain crops provided that first of all the land is examined by agriculturalists and a report issued.

If I were going to make a suggestion to the minister I would say that before any large scale change in land use is made in any particular community the soil should be carefully analysed to ascertain its suitability for growing various kinds of crops. I might favour tree growing because this happens to be my particular business. I am glad that the Minister of Forestry is in charge of this legislation inasmuch as the hon. member for Qu'Appelle, because of circumstances, is unable to look after it. Speaking in broad, general terms I think it is a good thing to consider tree growing as an alternative to crops.

If I had time I could go into the whole history of the growing of Christmas trees, an activity which has been developed in parts of New Brunswick as well as parts of Nova Scotia. My hon. friend, the hon. member for Antigonish-Guysborough (Mr. Stewart), knows that the growing of Christmas trees is becoming quite a business there.

I was a little disturbed at the speech made by the hon. member for Acadia (Mr. Horner) because I am one of those—and I make no apologies for this—who is a sincere believer in the principle of individual initiative and the encouragement of people to look after themselves, in other words, private enterprise. I believe in private enterprise because it develops individuals. That is the way the talents given to us by the Almighty are developed to

their greatest possible extent. Private enterprise gives people a chance to develop their talents so that they will not require the government to be paternal toward them to the extent that they do not need to worry.

In this connection I should like to quote the assurance, to some extent at least, of the minister in his speech yesterday, when he said as reported at page 4940 of *Hansard*:

> The fund will not serve as a disguised social welfare program nor as a program whose sole objective would be to give work to the unemployed.

In the next column these words appear:

> ARDA seeks always to achieve the best possible combination of public investment and participation by the local people. ARDA seeks the most efficient investment for basic improvement of the region's capacity to provide a sound base for the economy.

I do not think we can find too much fault with that statement, but I should like to inform the minister that he will achieve much greater satisfaction and results from the whole program if he will consider a slight amendment to the clause of the bill which deals with the setting up of the boards. It is proposed to set up boards consisting of ten members who will be drawn from various departments in Ottawa. I suggest to the minister that he consider as candidates for the boards representatives from municipalities in which projects are located.

• (5:40 p.m.)

If the minister is going to accomplish anything in the nature of improvements in order to eliminate poverty to some degree, I think it would be beneficial to use local people on these advisory boards. Their use would be of benefit to the provincial governments which do not come as close to the people as do the representatives of the municipalities. Therefore, if it were possible to make a slight amendment in order that the municipalities could be represented on the boards, I am sure that matters of local interest and local need would be brought to the attention of the boards to a much greater extent than if they were made up of those not familiar with local conditions or with the needs of the people in general.

I agree with the words of the hon. member for Acadia when he said that we must give the small farmer the right to remain small. I do not think we should consider that because an individual is doing something on a smaller basis than somebody else, he should be brushed aside as though he is not important. I think that combinations of smaller people are more important generally to the economy of the country than the large operators no matter what may be the particular sphere of economics in which they are engaged. In other words, I think it is better to have ten small farmers earning $3,000 each in a community than to have one large farmer earning $30,000. I think that the ten farmers earning $3,000 each are of more benefit to the community as a whole than one farmer with a gross income of $30,000.

Here I believe we get to the root of the problem. It has to do with the individual. We are here for the purpose of legislating for the benefit of individuals regardless of where they may be.

As the hon. member for Kootenay West (Mr. Herridge) said, everybody seems to be in favour of this legislation. There is universal approval in the chamber, I think, because everyone sees here an attempt to deal with the problem and everyone wants the problem dealt with.

May I make some suggestions to the minister in the hope that they may be of some benefit to him as he proceeds with his duties in administering the act. I hope that the act when passed will have the effect of ameliorating the problems of poverty in low income communities. I am sure we all hope that this will result from the legislation before us at the present time.

Having expressed my views concerning the individual, I want to say that I believe it is better to give the individual an opportunity to do things for himself than to give the impression that you are going to do everything for him. Enabling the individual to better himself should be the aim, the object and the objective of the legislation.

Having made my point, I do not propose to take any more time of the house. I am sure we will all await with great interest the activities to be carried on under the act. We want to see it in operation. May I assure the minister that to the extent I may be able to be of assistance to him he may consider my services are at his disposal at all times.

Mr. Leonard Hopkins (Renfrew North): Mr. Speaker, I am glad that the minister is in his seat at the present time. I am sorry that the hon. member for Qu'Appelle (Mr. Hamilton) is not here. I should like to pay a special tribute to the minister and to the hon. member for Qu'Appelle for the gentlemanlike way in which they began this debate yesterday afternoon. That sort of thing is refreshing in this house and I am sure that all those on the

back benches approve wholeheartedly. They set an example that other members have followed. I should like to congratulate all members who have spoken in the debate because it has been a very worth-while discussion.

Speaking of Renfrew county, I should like to say that we have a very active ARDA committee which is part of Renfrew county council. The committee has done excellent work to date, has been most active and at this time I should like to pay my tribute to its members.

The 1966 Renfrew county budget for ARDA projects provides for a gross expenditure of a little over $206,000, $26,000 of which will be county money. ARDA, over the years since its inception, has paid for several feasibility and engineering studies that have been made in the county on different projects.

Possibly there is a special case to be made out for the county. Hon. members will recall that in the days when timber was being cut for the British navy Renfrew county was one of the areas in Canada that saw its hills stripped of virgin pine. In many instances the areas affected have not survived that action. Today reforestation under the ARDA program plays a major part in Renfrew county. The county spends in the neighbourhood of $20,000 a year for reforestation in joint ARDA projects.

Another thing accomplished under ARDA has been the dredging of sections of the Muskrat river and the construction of a dam. The total project cost was approximately $113,000. At this time I will not go into other projects.

However, I should like to mention something else which involved much local initiative on the part of the people in various areas of Renfrew county, namely, the maple syrup project. One farmer had the idea that he should make a survey of the area for purposes of maple syrup production. He found that there were over one million maple trees in the area. ARDA has approved a considerable grant of money to the people interested for the development of this industry. These people are to be congratulated for their initiative.

I should like to emphasize strongly before I sit down that I feel ARDA should supply funds to promote education in poverty stricken rural areas. In many instances where there is rural poverty there are poor educational facilities. I am thinking not only of elementary education. At some time in the future I hope that funds may be provided through ARDA to local areas or counties with rural poverty in order to build agricultural schools to give basic agricultural training to the young people in those areas, thereby helping to train them to be community leaders. This would also give them ideas for building up their areas and would prepare them to take the initiative in bringing about improvements locally. I do not think there need be any conflict with provincial jurisdiction over education. We often hear the saying: Whoever pays the piper calls the tune. This money could be given to the provinces with the single proviso that it be used for educational purposes. There would be no interference with provincial jurisdiction in any way.

• (5:50 p.m.)

I should like to leave this thought with the house because I feel that one of the ways to eradicate local poverty in Canada is by helping people to help themselves. This could certainly be done if better educational facilities were provided in some areas.

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I wish to make a few comments on this bill. A bill as wide in its application as the one we are now considering certainly deserves full and constructive debate.

The minister has said that 500,000 families or two million Canadians are living in rural poverty. I should like to point out that this has only been the case lately since the advent of the Liberal government and the high cost of living which has accompanied their term of office. The minister also mentioned the low standard of living of rural people. I do not think he has expressed the position altogether fairly and I must reply by saying that the standard of living of rural people is generally better in a rural setting than the abject and deplorable poverty of many thousands of our people who live in other than rural areas.

The broad, general principles of this bill constitute a step in the right direction and we interpret them as a concerted effort on the part of the government and parliament to rescue our rural areas and a wide section of the agricultural industry from despair and oblivion.

I pointed out to the house on March 31 the need for care when enacting legislation of this kind, the need to preserve the private enterprise capability of our farmers. I wish

it to be noted that I advised the government not to go into the real estate business through buying smaller lots and farms, improving and developing them into economic units and then selling them back to the farmers. After a considerable period spent by people in such a socialistic government-sponsored upheaval, as I have just indicated, I ask the question: Which farmers would be the purchasers?

One can readily visualize the course of events. A certain area would be inspected by an advance corps of committees and inspectors. Some small holders would be willing to sell to the government. Others, rightfully, would be adamant in not wishing to sell. The government would then have the painful and embarrassing experience of having to resort to expropriation. Many decisions would go to arbitration or to court, a process which would vastly increase the cost of the land to the government.

Once a governmental economic unit had been so expensively thrown together further expenses would follow including the fencing of the unit, the erection of suitable buildings, the tearing down of unsuitable buildings where necessary, the provision of suitable water supplies for livestock and human consumption, the installation of hydro where provision is not already made, and the setting up of the power facilities needed for modern farming. All these things involve considerable expense.

Money would be needed for the improvement and building of roads in many cases where township councils could not extend existing roads in the absence of guarantees. All these subtotals, Mr. Speaker, make up the grand total representing the price the government would have to ask of the first prospective purchaser. I say again, as I said on March 31: Give the farmers the credit and the benefits of the Canadian Farm Loan Act and let them do their own developing. Let them create their own economic units. Let them improve their own solvency. Almost without exception, anything any government has ever done in the line of construction and development has cost far more than the same work done by private enterprise.

Let farmers do their own developing and carry out their own improvements with the help of specific grants made available for certain required improvements. They could collect these grants after the improvement had been inspected and the cost authorized for payment.

I have here a clipping from the Napanee *Beaver* of May 4, 1966, reporting a meeting of the Ontario Federation of Agriculture held in Toronto. The heading is: "Rural Redevelopment Must Start With People, Federation Told". It reads in part as follows:

> Fieldman Rae Cunningham and "AG Rept" Garnet Mills, who were present at the monthly meeting on Tuesday, April 26, in the County Memorial Building at Napanee reviewed recent conferences held in Toronto and Guelph and stated that the conclusion reached is that rural redevelopment must start with people who are willing to participate in a self-help program of retraining to meet the needs of a changing world.

May I call it six o'clock?

BUSINESS OF THE HOUSE

Mr. Drury: Mr. Speaker, the business of the house tomorrow will be the same order of business as we have been considering today. We will continue with item No. 5 on the order paper, Bill No. C-151, followed by second reading of Bill C-146, an act to amend the Northwest Territories Act. Then we would take second reading of Bill C-147, an act to amend the Yukon Act, followed by the estimates of the Departments of Forestry, Labour, Post Office and Industry, not necessarily in that order.

Mr. Deputy Speaker: In order to keep the record straight, may I ask whether I am expressing the will of the house if I say that the private members' hour suspended this day is to be taken on some other day?

Some hon. Members: Agreed.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, May 12, 1966

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that a communication has been received which is as follows:

Government House
Ottawa
12th May 1966

Sir,

I have the honour to inform you that the Hon. 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 12th May, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary
to the Governor General

• (2:40 p.m.)

PRIVILEGE

MR. GORDON—STATEMENT RESPECTING ACQUISITION OF MERCANTILE BANK SHARES

Hon. Walter L. Gordon (Davenport): Mr. Speaker, I rise on a question of personal privilege in connection with a statement released yesterday afternoon by Mr. Robert P. McFadden, president of the Mercantile Bank of Canada, following a meeting of the directors of the bank. The statement begins as follows:

We believe it improper to engage in debate with the former finance minister over who said what at a meeting over three years ago. Suffice it to say we voluntarily made the full details of the transaction known to Mr. Gordon at the time and our understanding of what transpired at the meeting with him is not in accord with his.

The transaction referred to was the acquisition of the shares of the Mercantile Bank of Canada by the First National City Bank of New York. The comment refers to what Mr. James Stillman Rockefeller, at the time president and now chairman of the First National City Bank, and Mr. McFadden, then an officer of that bank, told me at a meeting in my office on July 18, 1963, when I was minister of finance.

Mr. R. B. Bryce, deputy minister of finance, and Mr. Clayton Elderkin, inspector general of banks, were present with me during the meeting and Mr. Elderkin prepared a full report on what took place immediately afterward. The report was reviewed and concurred in by Mr. Bryce. This report leaves no doubt whatever as to what transpired despite Mr. McFadden's protestations to the contrary. I expect both Mr. Bryce and Mr. Elderkin will be called upon to confirm it when the Bank Act is up for revision.

While the statement that Mr. McFadden released yesterday is carefully worded and may sound plausible on a cursory reading, the fact of the matter is that he is questioning the accuracy of what I said in the house on June 14, 1965 in the course of my duties as minister of finance, which may be found at pages 2371 to 2373 of *Hansard*, and which I referred to on pages 94 and 95 of my recent book.

In my statement to the house, which was a long one, I referred to my conversation with Mr. Rockefeller and Mr. McFadden in some detail. It is on the record and I shall not repeat it except to say that I assumed the purpose of Mr. Rockefeller's visit was to ascertain, before any commitment was undertaken, whether the Canadian government of the day would be favourable to his bank acquiring control of the Mercantile Bank.

I informed Mr. Rockefeller that this would not be looked upon with favour by the Canadian government for the reasons which are set out in *Hansard*.

Mr. McFadden, the president of the Mercantile Bank, has now seen fit to question the accuracy of the statement which I made to the house on June 14, 1965. In doing so he has cast a reflection upon my integrity both as a member of this house and as a former member of the government.

I can only presume that this had been done deliberately. If it were to go unchallenged it might not only reflect on my veracity and therefore on my personal integrity, but it might mislead members of the house and members of the public at a time when decisions respecting the future position of the Mercantile Bank of Canada will be under

consideration. I presume they are under consideration at the present time by the Minister of Finance and members of the cabinet.

Mr. Speaker, I move, seconded by Hon. Maurice Lamontagne—

Mr. Speaker: Order, please. Before the hon. member is allowed to put his motion a decision should be taken by the Chair as to whether there is a prima facie case of privilege in the statement. If there is no objection I might take the matter under advisement. If there is a prima facie case of privilege then the hon. member might be allowed to make the motion. I might say, perhaps, that I have some serious doubts at the moment about whether there is a prima facie case of privilege.

Hon. R. A. Bell (Carleton): Mr. Speaker, with reference to the question of privilege, when Your Honour is considering the matter would you consider the fact that the member for Davenport has referred to a public document prepared by the inspector general of banks. I suggest and submit that the rules of the house would require that this document should be laid on the table of the house, and I would ask Your Honour to take that matter into consideration at the same time.

HEALTH AND WELFARE

TABLING OF REPORT ON PATENT LICENSING OF DRUG MANUFACTURERS

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, with leave of the house I should like to table copies, in English and in French, of the report of the special committee which was established to look into matters involved in the patent licensing of drug manufacturers. This committee, which was established on June 14, 1965, consisted of Dr. Irwin Hilliard, Dr. Charles Gowdey and Dr. Roger Gaudry.

In general the various recommendations of the committee which are not directly within existing regulations are being considered, and to the extent necessary are being implemented by appropriate arrangements with the commissioner of patents, as well as by changes in our drug regulations.

Arrangements have been discussed with the commissioner of patents to ensure close cooperation between the food and drug directorate and his office. The directorate will provide the necessary report to the commissioner relating to the competency of the applicant to manufacture a particular drug,

[Mr. Gordon.]

and while the decision with respect to the issuance of a compulsory licence is entirely within the discretion of the commissioner, I consider that the arrangements which have been discussed will effectively take into account the views of the committee.

The recommendation of the committee with respect to the furnishing of samples and informational material to the food and drug directorate and the inspection of premises, are matters which can be taken care of under the authority of our existing regulations. Hon. members can be assured that careful attention will be given to the supervision of matters which are involved in this portion of the recommendations.

We have also under consideration an amendment to the definition of a new drug, which is designed to give effect to the purpose of the fifth recommendation which is contained in the report. It is felt that the existing regulations which require suitable conditions of manufacture for a drug are sufficiently broad to cover the purposes of recommendation No. 6.

The question of adequate direction for use, including information to the professions, is a matter that has been under consideration for some time and appropriate steps are being taken to amend the regulations as would be necessary to give effect to this part of the report.

As regards notification, I expect that the necessary regulations in this regard will be in force within a very short space of time. Consideration is being given to strengthening the regulations with respect to the testing of drugs imported into Canada. The present regulations require that the container of a drug in dosage form bear a lot number. My officers are looking into the practicability of the individual capsule or tablet carrying a distinctive mark.

In concluding my remarks I would like on behalf of my colleague the Secretary of State, who established the committee, and myself, to pay particular tribute to it for its willingness to undertake this work at short notice and for the quality of the report which it provided.

PUBLIC SERVICE

LEGISLATION RESPECTING EMPLOYMENT IN GOVERNMENT SERVICE

Right Hon. L. B. Pearson (Prime Minister) moved for leave to introduce Bill No. C-181, respecting employment in the public service of Canada.

Some hon. Members: Explain.

Mr. Pearson: I wonder if I could ask the Minister of National Revenue, with agreement of the house, to explain this bill. He will be piloting it through the house because I may not be here for one or two days next week.

Hon. E. J. Benson (Minister of National Revenue): This is the second of three measures which are necessitated by the movement toward collective bargaining in the civil service of Canada. Under this particular measure the Civil Service Act is to be replaced by a new statute to be known as the public service employment act. This measure will not only retain the merit system of appointment and promotion and the type of job security long enjoyed by civil servants, but will extend them to thousands of additional government employees. The Civil Service Commission is to become the public service commission and, within a wider jurisdiction, it is to be concerned exclusively with the staffing functions.

• (2:50 p.m.)

The proposed public service employment act, which states that appointments to the public service are to be based on selection according to merit, would apply not only to civil servants, as currently defined, but also to some 30,000 prevailing rate employees, ships' officers and crews. The extension to these employees of the merit system of appointment and promotion, and of the type of job security now enjoyed by civil servants, will, I think, be welcomed by all those who value and respect the non-political traditions of the public service.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

Will that bill also allow—

Mr. Speaker: Order. The hon. member cannot put a question at this time.

[*English*]

Hon. E. D. Fulton (Kamloops): Mr. Speaker, is Your Honour indicating that no questions may be asked at this time?

Mr. Speaker: That is what I was suggesting to the hon. member.

Mr. Fulton: Then may I say that before we give leave to introduce this bill there is a matter of order which should be raised.

Mr. Speaker: Is the hon. gentleman raising a point of order?

Mr. Fulton: Yes, Mr. Speaker. The point of order I raise is this. How can such matter come forward by way of the introduction of a bill rather than by way of resolution? I think we should have some explanation from the government side as to that.

Mr. Benson: Mr. Speaker, the question whether this bill and the following bill required resolutions was taken up with the law officers of the crown. The government was informed that these two bills did not require resolutions.

Mr. Fulton: Then on the point of order, Mr. Speaker, I appreciate that this is not the time to precipitate a debate, but for myself and I am sure for many of my colleagues I should like to say that we would consent to the introduction of the bill reserving, however, our rights at a later stage to raise a point of order whether in fact the bill may be proceeded with without the prior introduction of a resolution.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I also want to rise on a point of order and mention that we reserve the right to question the procedure used at this time, if the purpose of the bill is to allow the Liberal organizers recently appointed by the Dominion Bureau of Statistics to negotiate—

[*English*]

Mr. Speaker: Order. I might mention on the point of order raised by the hon. member for Kamloops that I am informed that when the present Civil Service Act was introduced in 1960 and 1961, it was not preceded by a resolution. The same procedure is being followed in this particular instance.

Is it the pleasure of the house that the right hon. gentleman shall have leave to introduce the said bill?

Mr. Fulton: Subject to the reservation I have stated.

Mr. Speaker: Order, please. There can be no such reservation. The hon. member may, if he wishes, make a point later on, but it is my understanding that the right hon. gentleman has leave to introduce the said bill now.

Some hon. Members: Agreed.

Motion agreed to and bill read the first time.

Introduction of Bills

FINANCIAL ADMINISTRATION ACT

AMENDMENTS RESPECTING FUNCTIONS OF TREASURY BOARD

Right Hon. L. B. Pearson (Prime Minister) moved for leave to introduce Bill No. C-182, to amend the Financial Administration Act.

Some hon. Members: Explain.

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, this is the third of the bills necessarily arising out of the proposal for collective bargaining in the civil service. This particular bill proposes that Treasury Board be empowered to act for the governor in council on all matters relating to financial management, personnel management, general administrative policy, the organization of the public service and the control of establishments. In the personnel field the board would be responsible, among other things, for the determination of rates of pay, hours of work, leave and other conditions of employment; for the classification of positions and employees; for the establishment of standards of discipline; and for the promotion of safe and suitable working conditions.

The purpose of these provisions is to assign to Treasury Board the role envisaged for it by the Glassco commission and to provide it with the authority it will require to act as the principal agent of the employer in the proposed system of collective bargaining.

Motion agreed to and bill read the first time.

CANADA ELECTIONS ACT

AMENDMENT RESTRICTING PRIVILEGES TO CANADIAN CITIZENS

Mr. Robert Stanbury (York-Scarborough) moved for leave to introduce Bill No. C-183, to amend the Canada Elections Act (qualifications of voters and electors).

Some hon. Members: Explain.

Mr. Stanbury: Mr. Speaker, the purpose of this bill is to provide that only Canadian citizens shall in future be qualified as electors or as candidates at federal elections. Such privileges, enjoyed by British subjects and certain others who have not acquired Canadian citizenship, are not shared by all immigrants. The proposed amendment would end this discrimination, encourage the acquisition of citizenship, and reflect the maturity of a nation approaching its centenary.

Motion agreed to and bill read the first time.

[Mr. Speaker.]

EXTERNAL AFFAIRS

MAINLAND CHINA—POSSIBILITY OF RECOGNITION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. In view of the remarks he made in New York last night, as quoted today in the press, can the Prime Minister tell the members of the house whether it is the intention of Canada to extend official recognition to the People's Republic of China in the immediate future? Second, is it the intention of the government of Canada to support the recognition of the delegation from Peking, China, for the Chinese seat in the United Nations at the next general assembly of the United Nations.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I cannot add anything to what has been said previously on this matter by spokesmen for the government. It is a matter that is under consideration, of course. As to what may happen at the next assembly of the United Nations, that is a hypothetical question.

Our attitude toward the communist Chinese government, as a government, on any UN resolution dealing with this matter, would have to consider the nature of the resolution and the circumstances.

Hon. Marcel Lambert (Edmonton West): A supplementary question, Mr. Speaker. May I ask whether the Prime Minister's remarks, in his estimation, indicate that Canada is closer to this point than it was heretofore?

Mr. Pearson: Mr. Speaker, I think I have just reaffirmed what I and the Secretary of State for External Affairs have been saying on this matter now for some time.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. May I commend the Prime Minister for the statement he made in New York, that the United Nations could no longer shelve the problem of membership for mainland China. I ask the Prime Minister, does he not think it would give substance to his declaration if he made a statement fairly soon to the effect that the Canadian government is prepared to recognize mainland China and to support her admission to the United Nations? Does the Prime Minister not think this would allow the government to avoid any accusations that the Prime Minister's statement of yesterday was merely empty rhetoric?

Mr. Pearson: Mr. Speaker, that is of course a conditional question which it is difficult for me to answer. The circumstances regarding the admission of the mainland government of China to the United Nations depend not exclusively on the attitude of other members of the United Nations but on the attitude of that government itself to conditions which it might lay down for membership in the United Nations.

Mr. Douglas: Could I ask the Prime Minister whether there is any obstacle in the way of extending diplomatic recognition to communist China, as has already been done by a great many countries including the United Kingdom and France, where the attitude of mainland China with respect to Formosa is not involved.

Mr. Speaker: Order. I suggest to the hon. member that the question is argumentative, and it seems to me we are entering into a debate on the subject. I do not think this particular question should be allowed.

Mr. Douglas: May I rephrase my question and ask the Prime Minister whether there are any obstacles standing in the way of Canadian recognition of mainland China.

Mr. Pearson: There is the difficulty which might occur if the government of mainland China were to insist that any diplomatic recognition of the regime should include areas such as Formosa where its writ does not now run.

Mr. Nesbitt: Can the Prime Minister tell us whether the climate among Canada's friends, unlike the Ottawa climate in another sense, is so improved that recognition of the People's Republic of China may come at a date earlier than might have been expected a short while ago?

Mr. Speaker: Order. This question again is argumentative.

[*Later:*]

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question I should like to direct to the Secretary of State for External Affairs consonant with an earlier question directed to the Prime Minister. Has the hon. gentleman or the government reconsidered the extension of diplomatic recognition to the Chinese government on the island of Formosa?

Mr. Martin (Essex East): Mr. Speaker, I am sure that the experienced whip, the hon. member for Grey-Bruce, will have carefully noted that the question was adequately responded to by the Prime Minister.

Inquiries of the Ministry

[*Translation*]

NATIONAL CENSUS

QUEBEC INQUIRY INTO APPOINTMENT OF COMMISSIONERS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I put a question to the future minister of manpower?

Was the minister consulted by his colleague, the Minister of Trade and Commerce (Mr. Winters), with regard to the appointment of the commissioners for the census to be held in June?

Mr. Speaker: Since it is not urgent, this question cannot be accepted.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a supplementary question—

Mr. Speaker: Order. Since the question was not accepted, the hon. member may not put a supplementary question.

Mr. Grégoire: On a point of order, Mr. Speaker, the question was not accepted for lack of immediate urgency, but it was not ruled out of order—

Hon. Marcel Lambert (Edmonton West): Yes, it was.

Mr. Grégoire: —and I feel that, in the circumstances, a supplementary question is in order.

Mr. Speaker: Order. My interpretation of the standing orders is not the same as that of the hon. member for Lapointe (Mr. Grégoire).

[*Later:*]

Mr. Grégoire: Mr. Speaker, in the absence of the hon. Minister of Trade and Commerce, I shall direct my question to the right hon. Prime Minister.

Would the Prime Minister ask his colleague, the Minister of Trade and Commerce, to table in the house a list of all those who have suggested names for the 1966 national census?

Mr. Speaker: Order. This question is out of order for the same reason as the one asked a minute ago by the hon. member for Villeneuve (Mr. Caouette).

If the hon. member believes this matter to be very urgent, he can discuss it at ten o'clock.

Mr. Grégoire: At ten o'clock, Mr. Speaker.

Inquiries of the Ministry

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, in the absence of the Minister of Trade and Commerce, may I put my question to his parliamentary secretary, the distinguished member for Quebec South?

Have the persons selected to take the 1966 census passed an examination to ascertain if they are qualified for the job, and when was this examination held?

Mr. Speaker: This question is out of order.

Mr. Grégoire: Mr. Speaker, on a point of order.

Having listened to questions since the beginning of the afternoon, I wonder why the question of the member for Lotbinière (Mr. Choquette) is not in order; why is it not urgent since the census will start in the near future?

In my opinion this question should be accepted.

Mr. Speaker: The hon. member asked if an examination had been held. I think this question is not urgent and if the hon. member who put the question believes it is, he can ask to debate it later under the adjournment motion. As a matter of fact, he gave notice of his intention to do so.

Mr. Choquette: Mr. Speaker, my notice is already before the clerk.

[*Later:*]

Mr. Caouette: Mr. Speaker, may I put a question to the hon. Minister of Agriculture?

In a questionnaire candidates for the position of national census commissioners have to fill out, there is a question that puzzles everyone, namely: how many pounds of fat are there in one hundredweight of milk?

It might be advisable for the minister to tell us so that all Canada might know.

[*English*]

LABOUR RELATIONS

QUEBEC—STOPPAGE OF WORK BY LONGSHOREMEN

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is directed to the Minister of Transport. In view of the statement by the executive of the international longshoremens union that they have lost control of their striking members, and bearing in mind the critical national and international situation which has developed, can the minister inform us what he is doing in an effort to bring this wildcat strike in Montreal back under control?

Hon. J. W. Pickersgill (Minister of Transport): As far as ministerial responsibility is concerned, that would be an intrusion on my part into the functions of my colleague the Minister of Labour.

Mr. Thompson: May I, then, ask the Minister of Labour what action the government is taking in this critical situation?

Hon. J. R. Nicholson (Minister of Labour): I agree that this is a very serious matter. The night before last I appointed an able and experienced jurist to be chairman of a conciliation board. The board is now in session dealing with this problem as a matter of urgency.

Mr. Georges Valade (Sainte-Marie): Is the Minister of Transport considering offering the services of a mediator from the department in an effort to find a solution to this serious situation?

Mr. Pickersgill: I do not think I should usurp the functions so very well performed by the Minister of Labour.

Mr. Valade: May I address the same question to the Minister of Labour?

Mr. Nicholson: It is not customary to have a mediator function once a board of conciliation has been established and is actually dealing with the problem. Senior officials of my department are on hand and are available to give advice if it is required.

FAILURE TO APPOINT CHAIRMAN FOR C.N.R. CONCILIATION BOARD

On the orders of the day:

Hon. Michael Starr (Ontario): My question is addressed to the Minister of Labour. In view of the announcement by the Canadian Brotherhood of Railway Transport and General Workers yesterday that a strike vote is being taken among their members on the Canadian National Railways in protest against delays in the appointment of a chairman for a conciliation board, can the minister advise what action he has taken to deal with this dispute?

Hon. J. R. Nicholson (Minister of Labour): I am glad this question was put, because it gives me the opportunity to correct an erroneous statement which appeared in this morning's paper to the effect that the minister has neglected this matter for two months.

The facts are that it was on March 30 the union sent in its nomination. The company submitted its nomination on April 1. The parties were immediately advised by the minister, as required by the act, that they should get together and try to agree on a chairman. On April 19 I was advised they had not been able to agree. On the following day I announced the appointment of Mr. Justice Munroe to the chairmanship of the other two conciliation boards, and the hope was expressed that this particular union and the railways might be able to agree on his appointment in this case also. It was only, relatively, a short time ago that I was advised that this hope would not materialize.

Since then we have been actively exploring the possibilities because this is a very important matter. For the last ten days we have been trying to find another chairman, but bearing in mind the number of conciliation boards and other inquiries which are sitting at the present time hon. members will appreciate that it is not easy to get an experienced chairman to deal with a matter as complicated and as serious as this one.

We now have one experienced man in mind and I feel he could do the job well, if he will accept. He has promised to advise me tomorrow, if possible, or in any event not later than Monday, whether he will be able to take it on.

FLOODS

YUKON— INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Erik Nielsen (Yukon): I have a question for the minister of northern affairs; it concerns the hon. member for the Northwest Territories as well. Can the minister inform the house what assistance is forthcoming from the government with respect to flood conditions in the Yukon?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): We have had a report on flood conditions in the city of Dawson. This is a condition which is not unusual at this time of the year, though I would think the damage is somewhat greater than the average for the last number of years. I understand some damage was done to private homes, to the water system and to the sewage system.

We have asked two men to go in and make an assessment. Commissioner Cameron has asked for some assistance. We are glad to report that the water is now receding because apparently the ice jam down river from Dawson is breaking up.

POWER

COLUMBIA RIVER—REPORTED INCREASE IN ANTICIPATED COST

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Secretary of State for External Affairs. Before doing so, if you will permit me, Mr. Speaker, I want to admit that I misled the house yesterday—

Some hon. Members: Oh, oh.

Mr. Herridge: —for the first time in nearly 21 years. With reference to the office of the former prime minister being wired, the Minister of Public Works said, as reported in *Hansard* at page 5008:

> —to check proceedings that went on here. He admitted it himself and had the wiring removed when the matter was raised in the House of Commons by the hon. member for Kootenay West.

Later on I rose and said:

> I wish to explain to the house that this complaint was made by Senator Argue.

That is not correct. As is made clear in *Hansard* for July 19, 1958 at page 2447, I raised the point and as a result the prime minister of the day had the situation corrected. I am not at present a senator, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Nielsen: Behave yourself and you might be.

Mr. Herridge: In view of press reports that there will be an overexpenditure of some $200 million on the Columbia treaty projects before they are completed, would the minister inform the house whether any reports from the federal representative on the federal-British Columbia liaison committee, or from the federal representative on the joint engineering board, indicate that the projects will cost considerably more than the government of British Columbia has received from the United States under the terms of the Columbia treaty?

Inquiries of the Ministry

Mr. Speaker: Order, please. The question is of a very general nature and I think it might be placed on the order paper.

ADMINISTRATION OF JUSTICE

TALKS BETWEEN SOLICITOR GENERAL AND BRITISH HOME SECRETARY

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Solicitor General. Yesterday the Solicitor General indicated that when he was recently in the United Kingdom he had a conversation with the British Home Secretary. Did he discuss with him the plan that is reported under consideration in Britain to fingerprint all adult Britons as a method of combating crime and, if so, has he formulated any idea to discuss this matter here in Canada?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I have to advise the hon. member that this was not one of the very many interesting subjects we discussed. Discussions related chiefly to the correctional system, the police college and the various duties of the Home Secretary as distinct from those of the Attorney General in this field.

FINANCE

APPARENT CONFLICT IN STATEMENTS RESPECTING BALANCE OF PAYMENTS

On the orders of the day:

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I wish to direct a question to the Minister of Finance. The Canadian Economic Council, in a report that was published yesterday, states that the crucial point in the Canadian economy is not the balance of payments but its integration to world economy. At the same time Mr. Graham Towers says that the Canadian government "when shaping its future national policies should, in my estimation, put more emphasis than in the past on the balance of payments". Could the Minister of Finance, for the information of the House, state the position of the government between those two apparently conflicting theories?

[*Translation*]

Mr. Speaker: The question asked by the hon. member for Trois-Rivières (Mr. Mongrain) is argumentative and therefore out of order.

[Mr. Herridge.]

[*English*]

ROYAL CANADIAN MOUNTED POLICE

POSSIBLE REMOVAL OF WORD "MOUNTED" FROM TITLE

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I should like to direct a question to the Solicitor General, and I apologize for doing so in view of his cold and the difficulties he has with his voice. In view of the fact that drastic reductions are reported taking place in equestrian training and the use of horses by the R.C.M.P., is there any thought in the mind of the Solicitor General to drop the word "Mounted" from the name Royal Canadian Mounted Police?

Mr. Speaker: Order, please. I shall help the Solicitor General in his plight by suggesting that the question be placed on the order paper.

Mr. Kindt: Mr. Speaker, with all due respect, I come from Macleod riding and I rise on a point of privilege. I gave the Solicitor General notice of this question, and I think he is ready to answer it.

Mr. Speaker: I appreciate this, but even if the minister is prepared to answer he will still be able to do so in writing if the question is placed on the order paper.

Mr. Kindt: Would it be all right to put it on the ten o'clock show, Mr. Speaker?

Mr. Pickersgill: The musical ride.

PUBLIC SERVICE

JOHN KROEKER—REQUEST FOR REVIEW OF PENSION RIGHTS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Secretary of State. I have now been waiting almost a week for the minister to come back to the house, so I think I ought to address it to the Prime Minister. Has the government taken any action in connection with the grievance I raised a week ago Tuesday, concerning the pension rights of Mr. John Kroeker?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Secretary of State, who has been away on centennial and other business, will be back later this afternoon and I shall take up the matter with her as soon as she returns.

IMMIGRATION

REPORTED ADVICE BY DEPARTMENTAL OFFICERS TO U.K. EMIGRANTS

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration of which I have given him notice. According to the Victoria *Daily Colonist* of last Tuesday three recent immigrants from the United Kingdom stated that Canadian immigration officers in the U.K. advised them against settling in British Columbia but recommended, amongst other places, Winnipeg, Calgary and Toronto. Can the minister assure the house that this is not being done?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, I do not know if it was done or not. I can try to check, but the hon. member can be sure that if it was indicated that British Columbia was not a good province to settle in, I can assure all immigrants that it is a very nice province and there are a lot of opportunities in it. If the hon. member wants me to check further I shall be glad to do so.

Mr. Chatterton: As a supplementary question, can the minister assure us that his immigration officers will convey the same information to prospective immigrants?

Mr. Marchand: Pardon me, I did not hear the question.

Mr. Chatterton: Will the minister assure us that the Canadian immigration officers in the U.K. and elsewhere abroad will advise prospective immigrants of the great opportunities in British Columbia?

Mr. Marchand: Yes, I hope they will do so.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the future minister of manpower who has just said there are many opportunities in British Columbia. Does the minister feel it is due to the Social Credit government in that province?

Mr. Speaker: Order.

[*English*]

CANADIAN BROADCASTING CORPORATION

ASSOCIATION OF MINISTER'S ASSISTANT WITH DISPUTE MEDIATOR

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister and ask is he aware that Mr. Neville, the executive assistant to the Secretary of State (Miss LaMarsh), is apparently associated with Mr. Keate in the latter's work regarding the C.B.C. dispute? If so, by whose authority is the executive assistant so acting, and what role is he supposed to play?

Right Hon. L. B. Pearson (Prime Minister): I shall have to look into that and I shall be glad to do so, Mr. Speaker.

Mr. Arnold Peters (Timiskaming): As a supplementary question, will the Prime Minister request that the president of the C.B.C. offer his apologies to Miss Beryl Fox for any affront to her professional reputation that may have been occasioned by recent investigations of the R.C.M.P., which indicated that there was no foundation for the original *Telegram* story which prompted the investigations?

Mr. Speaker: Order. I fail to see the urgency of the matter raised by the hon. member, and cannot accept the question.

ADMINISTRATION OF JUSTICE

PROPOSED REMOVAL OF FEMALE PRISONERS FROM KINGSTON PENITENTIARY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to direct a question to the Solicitor General. In view of the fact that a few days ago the Minister of Justice, acting on his behalf, told the house that on the Solicitor General's return from the United Kingdom he would answer my repeated questions relative to the transfer of women narcotic addicts from Kingston to Matsqui against their desire, can we have any information on the matter now? This transfer is to take place within a very short time unless there has been a change in a policy decision.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, a decision has been taken, regarding those inmates whose term is due to expire this year, not to return them to Matsqui. A decision regarding the other inmates has not been arrived at yet.

Inquiries of the Ministry

FINANCE

PROSPOSED BANK ACT PROVISION RESPECTING MERCANTILE BANK

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is directed to the Minister of Finance and arises out of a report which appeared in this morning's *Globe and Mail*, and out of the point of privilege raised earlier this afternoon by the hon. member for Davenport. The report in the *Globe and Mail* referred to the fact that the Mercantile Bank of Canada hopes to be welcomed in Canada without what it calls legislative restrictions on its growth. As the hon. member for Davenport reminded us, the Bank Act revisions that were proposed included a provision which would limit the further growth of the Mercantile Bank.

My question, Mr. Speaker, is this. Has the minister since he assumed his position, been subjected to new pressures or representations to eliminate this provision that was to be included in the new Bank Act?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have received representations from the Mercantile Bank on this subject and, as might well be expected, I have received representations on many other subjects from many people who dislike the provisions of legislation proposed by the present government and existing legislation.

Mr. Eric A. Winkler (Grey-Bruce): I have a supplementary question, Mr. Speaker. In view of the urgency of this matter, can the minister indicate how soon we may expect the Bank Act legislation, in order that we may have some clarification?

Mr. Sharp: As I said in reply to a similar question yesterday, the cabinet is just completing its consideration of this legislation and I hope it will be placed on the order paper soon.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I have a supplementary question, Mr. Speaker. Has the minister yielded to the pressures he mentioned to eliminate this section from the Bank Act?

Mr. Speaker: Order, please.

Mr. Sharp: I think I should answer this question, Mr. Speaker.

Some hon. Members: Oh, oh.

[Mr. Pennell.]

Mr. Sharp: There is an imputation in this question that I yield to pressure from anyone. I yield to pressure from no one, and neither does this government.

Some hon. Members: Hear, hear.

Mr. Grafftey: Does that include Jean Lesage?

Mr. Sharp: It even includes you.

WATER RESOURCES

INQUIRY AS TO POLLUTION BY HOUSEHOLD DETERGENTS

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, my question is for the Minister of Mines and Technical Surveys. Is the minister investigating the recently published announcement regarding the menace of certain household detergents alleged to be seriously polluting public waters of Canada?

Mr. Speaker: Order, please. Perhaps this question might be placed on the order paper.

FISHERIES

BAY OF FUNDY—ALLEGED DISCRIMINATION AGAINST NOVA SCOTIA FISHERMEN

On the orders of the day:

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, my question is directed to the Minister of Fisheries, and I gave him notice. In view of the minister's recent meeting with provincial officials at the herring conference at Fredericton and with provincial officials at the fisheries council at Halifax, is the minister now prepared to take action on the seiner closure along the New Brunswick shore of the Bay of Fundy which is discriminatory to Nova Scotia?

Mr. Speaker: Order, please. I think this question should also be placed on the order paper.

Mr. Nowlan: I rise on a question of privilege, Mr. Speaker. The Minister of Fisheries was asked this question on January 18, 1966. This closure was supposed to have been temporary, but it has been in effect for two and a half years. The Halifax *Herald* of May 10 reports that on his arrival at Halifax the minister said he thought it would be advisable to take no action until he had an opportunity to discuss this matter with the provincial ministers concerned. Has he discussed it

with the provincial ministers, and is he now prepared to take action?

Hon. H. J. Robichaud (Minister of Fisheries): Yes, Mr. Speaker, I have discussed this matter with the ministers of fisheries for New Brunswick and Nova Scotia. I informed the hon. member yesterday that a further meeting was to take place yesterday or this morning with senior officials of the federal and provincial governments concerned.

Mr. Nowlan: When can we expect some announcement or, preferably, some action in this regard?

Mr. Robichaud: An announcement will be made after that meeting has taken place and a report has been received.

EXTERNAL AFFAIRS

INDOCHINA—PROPOSED ESTABLISHMENT OF NEUTRAL BELT

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of the statement made two days ago by Lord Avon, formerly known as Sir Anthony Eden, that a neutral belt be established through the three countries that formerly made up French Indochina—Viet Nam, Cambodia and Laos—will he inform the house whether this proposal is being considered by the Canadian government?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, before replying to this question let me say that the Prime Minister has just suggested that since it is not likely he will be asked a question to give him the opportunity to refer to the hon. member for Humboldt-Melfort-Tisdale, I should make note of the fact that that hon. gentleman has a new seat in this house, which would indicate that he apparently has been appointed by the leader of his party as deputy whip.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): Notwithstanding the hon. gentleman's political ideologies, he is such a popular member of this house that this should be noted as a matter that brings great satisfaction to all of us.

In answer to the question regarding Lord Avon's proposal, something like this was suggested by him in 1954. It is a proposal that deserves very careful attention in our efforts to bring hostilities in Viet Nam to an end.

[*Later:*]

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I was going to ask whether I might have the privilege of concluding the question period with a friendly question to the Prime Minister. In view of a certain answer given to me by the Secretary of State for External Affairs, does the Prime Minister not feel this indicates that possibly he has shared a seat with that hon. gentleman for too long?

PUBLIC SERVICE

INQUIRY AS TO PAY INCREASES FOR SHIPS' OFFICERS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the minister in charge of the Treasury Board, of which I gave him notice. In view of the fact that requests for pay increases for masters and officers employed in vessels operating on the west coast and in the Northwest Territories by various government departments have been under consideration for over a year, may I ask the minister whether the Department of Labour has conducted a survey into these requests and submitted recommendations to the Treasury Board? If so, what is the reason for the delay in taking action on these recommendations?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, I should like to thank the hon. member for giving me notice. I am informed that the survey conducted by the Department of Labour as a basis for review of the rates of pay applying on the west coast to these employees has been completed, that the results have been sent to the various operating departments concerned, and that the submissions to the Treasury Board from these departments are now coming in and should all be received within the next couple of weeks.

I can assure the hon. member for Burnaby-Coquitlam that these submissions will be dealt with expeditiously by the Treasury Board. With respect to the employees in the Northwest Territories, I am informed that the Department of Labour is now completing its survey.

Mr. Douglas: I have a supplementary question. In view of the fact that this matter has been held in abeyance for over a year, I

wonder whether the minister might urge the departments to make their submissions to the Treasury Board at the earliest possible date?

Mr. Benson: Mr. Speaker, as I indicated, these submissions are coming in now and we expect to receive them all within a very short period of time. The Treasury Board will not hold them up.

[*Later:*]

Mr. D. W. Groos (Victoria (B.C.)): Mr. Speaker, I have a question for the Minister of National Revenue supplementary to the one asked by the hon. member for Burnaby-Coquitlam. Will the minister, when he is discussing this matter of increases with his colleagues, bear in mind, please, that unless these increases are given in the near future they will involve payment of the new rates of income tax, which would be very undesirable?

Mr. Speaker: Order, please. The question is argumentative.

DOMINION-PROVINCIAL RELATIONS

VACANCY IN SECRETARIAT OF RESOURCE MINISTERS COUNCIL

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys. In view of the importance of informational services in planning for the forthcoming conference on pollution, could the minister inform the house whether a successor for Mr. Walter Gray has been found on the secretariat of the resource ministers council?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): I do not have that information, Mr. Speaker. I will inquire.

BUSINESS OF THE HOUSE

INQUIRY AS TO FORTHCOMING LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. On April 19, as reported at page 3990 of *Hansard*, I asked the Prime Minister whether he could give the house at an early date a list of the 15 items of important government legislation to which he had referred during the Easter recess. He said that the list was probably 21, but he has not yet given it to the house. I wonder whether he could do that at an early date.

[Mr. Douglas.]

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I will try to do that at an early date. One or two of the items have now been passed.

Mr. Knowles: A supplementary question, Mr. Speaker. May I ask the Prime Minister whether this list will include any action with respect to the Old Age Security Act?

Mr. Pearson: That is a matter of government policy, Mr. Speaker. It will certainly include some very important bills dealing with social security.

HEALTH AND WELFARE

RADIOACTIVE FALL-OUT FROM CHINESE BOMB TESTS

On the orders of the day:

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, may I reply to a question asked yesterday by the hon. member for Fraser Valley with respect to the health hazard in connection with the Chinese nuclear tests. I should like to reply that radioactive fall-out from the Chinese nuclear test has not yet been detected in Canada although it is likely to be observed within a few days. It is expected, however, that the amount will be much smaller than the amounts deposited from previous testing programs.

IMMIGRATION

INQUIRY AS TO PRODUCTION OF WHITE PAPER

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, may I ask the Minister of Citizenship and Immigration when he may be able to satisfy the anticipation of the house by permitting us to see the white paper on immigration which has been long awaited?

Hon. Jean Marchand (Minister of Citizenship and Immigration): As soon as possible, Mr. Speaker.

NATIONAL DEFENCE

STEPS TO MAINTAIN STRENGTH OF ARMED FORCES

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Defence. With withdrawals from the armed services exceeding recruitments by 6,000 per year, will the

Minister of National Defence inform the house what steps he has taken to maintain our armed services at full strength?

Hon Paul Hellyer (Minister of National Defence): Mr. Speaker, I would request my hon. friend's assistance in encouraging more young people to join the armed forces.

Mr. Churchill: Mr. Speaker, I have a supplementary question for the Minister of National Defence in the hope of getting a somewhat less flippant answer from him. Would the minister inform us what steps he is taking to increase the number of people in the armed services and to improve the morale of the service, which is steadily deteriorating?

Mr. Hellyer: Mr. Speaker, I am glad the hon. gentleman has given me this additional opportunity to reply to his question. First of all I should like to deny the allegation contained in his previous question. I would be glad to get the figures for him. The Associate Minister has just given me figures which show that for the first three months of the year—

Mr. Churchill: They are on *Hansard.*

Mr. Hellyer: —there were 2,398 releases and 2,546 recruits, which certainly is a much more optimistic set of figures than that used by my hon. friend.

Mr. Nielsen: Then *Hansard* is wrong.

Mr. Hellyer: I think my hon. friend should find some comfort in those figures. He can also be assured that we are taking every possible step to reduce the anomalies which exist as between the three services, and to improve the pay and allowances and other conditions for the men and women in the armed forces to the extent required to make sure that we will be able to retain the required numbers to perform the missions that are assigned to them in our various alliances, etc.

Mr. Eric Nielsen (Yukon): A supplementary question, Mr. Speaker. Are we to take as accurate the figures given by the minister today or those which were given in a written reply to a question and tabled in the house within the last week or two?

Mr. Hellyer: I should like to take that question as notice, Mr. Speaker.

Mr. Churchill: You had better check your figures.

Inquiries of the Ministry

COAL

INQUIRY AS TO REPORT ON ASSISTANCE PROGRAM

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the right hon. Prime Minister and refers to the Donald report on coal. May I say to him, in view of the fact that we are unable to secure information on this subject—

Mr. Speaker: Order, please. Would the hon. member put the question.

Mr. Muir (Cape Breton North and Victoria): Yes, I shall be glad to do so, Mr. Speaker, but I was enlightening the Prime Minister, who is probably not aware that we have not been able to get information from the Minister of Mines and Technical Surveys or the cabinet representative from Nova Scotia, and the Minister of Finance who handles this matter will not yield to pressure. Would the right hon. gentleman devote a little time to this subject and inquire, on behalf of the 6,500 miners involved, how soon we may receive some information on the Donald report?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my hon. friend knows that this matter is being very urgently and carefully considered.

Mr. Muir (Cape Breton North and Victoria): But it has been for a long time, sir.

[*Translation*]

FIRES

MONTREAL—REQUEST FOR REPORT ON INVESTIGATION

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the hon. Minister of Transport.

Is the minister holding an inquiry concerning the fires in Montreal harbour?

If so, does the minister have any new information to give the house?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, did I understand the hon. gentleman to say the airport or the harbour?

Mr. Caouette: The harbour.

Mr. Pickersgill: The investigation is going on very actively. So far as the first fire is concerned, the report is that there is no evidence whatever of arson. I do not think the investigation into the second fire is sufficiently complete for me to give any report at the moment.

Rural Development

RURAL DEVELOPMENT

PROVISION FOR ECONOMIC AND SOCIAL DEVELOPMENT OF SPECIAL AREAS

The house resumed, from Wednesday, May 11, consideration of the motion of Mr. Sauvé for the second reading of Bill No. C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas.

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, last night at adjournment I had been speaking on matters pertaining to Bill No. C-151, which is now before us again. I had reminded the government of their unassumed and unadmitted responsibility for the current high cost of living which is a heavy burden particularly upon the older people and the poor people of our country, both rural and urban. I had also reminded the government to stay out of the real estate business and to forget their foolish election promise to buy up farms, create economic units and then sell them back to the farmers. I trust I made my point in this regard.

• (3:40 p.m.)

I had reminded the government of the support from farm organizations and the local press throughout Ontario that my argument is earning, particularly in my own area of Prince Edward-Lennox where the people still believe in private enterprise and the integrity and efforts of the individual. I reminded the government of the meeting of the Lennox and Addington Federation of Agriculture on April 26 at Napanee when that assembly was unanimous in declaring that rural development must start with the people.

You will note, Mr. Speaker, that this meeting was also concerned about the retraining of rural people. I trust that this too is part of the intent and purpose of this bill, although retraining is not mentioned in any of its clauses. But I do note the cautionary attitude in clause 8, subclause 2, where the headlong rush into rural socialism is slightly checked in lines 5, 6 and 7 in that it provides that the advisory board shall recommend that the minister not enter into certain agreements regarding any program if in the opinion of the board the program can be carried out in another way without federal assistance.

Where federal assistance is needed and where the $50 million provided by the bill could well be spent—in fact, it would cost many times $50 million—is in the development of all our watersheds for the conservation of clean water and in the reforestation of adaptable forest land in a productive manner to ensure continuance of the annual production of timber and wood products. This would involve a long term growth period before the realization of any profits.

Also, attention is needed in the areas of the watersheds I have mentioned where there is soil suitable for agriculture but requiring the clearing and restoration of old fields which formerly did produce something. Grants must be available toward the use of heavy machinery for clearing the jungles of scrub brush that have sprung up since many of these places were last occupied and cultivated. There should also be provision for tile drainage of these fields where this type of water control and drainage is necessary.

I could go on, Mr. Speaker, but in doing so I would only be repeating my remarks of last March. I have studied the briefs of the Canadian Federation of Agriculture and the National Farmers Union. Both strongly press for the stabilization of the agricultural industry through the preservation of productive family farming, but one significant qualification with regard to both briefs is that neither one of these great farm groups is pressing the government to buy farms, enlarge them into economic units at public expense and then sell these units back to the farmers. The farmers of Canada are too smart for that. The farmers of Canada will do their own developing of their own economic units and make their own real estate deals between themselves, between the farmer who is retiring and wants to get out of the business and his neighbour who wants to expand and strengthen his activities.

There is need also for thorough surveys of many areas and counties of Canada and, particularly in Ontario, surveys pertaining to the fiscal and sociological qualifications and aspects of the different regions.

Here, Mr. Speaker, is a timely resolution which I have received from Mr. G. M. Mills, agricultural representative for the county of Lennox and Addington and secretary of the ARDA committee for that county. I have sent a copy of this resolution to the minister who has very courteously acknowledged it. The resolution reads as follows:

The following motion was moved by Carl Clayton and seconded by Percy VanVlack that the Lennox and Addington ARDA committee suggests that a sociological survey of the county of Lennox and Addington, as outlined in the attached letter, be conducted and respectfully request the ARDA branch of the Ontario Department of Agriculture to engage the staff as required to conduct such a

survey in the summer of 1966 and that the survey be expanded to collect other information as may appear advisable, such as existing potential tourist development.

This motion was carried unanimously. I trust that the Lennox and Addington ARDA committee will obtain the desired services and co-operation from the provincial and federal bodies.

I have advised the minister on this matter and I thank him for the response I have received and for his written assurance that most of the objectives of the Lennox and Addington resolution will be adequately provided for by the survey under and application of the Canada land inventory program.

Many of us in this chamber, Mr. Speaker, have one thing in common. I point out that many hon. members are of rural origin and status. If it were not for the rural areas and the fact that originally a pastoral and agricultural civilization pioneered this country, our great cities and highly organized urban areas would not exist, and they could not continue to exist and grow today without the assistance of a vigorous agricultural industry.

We hear a lot about the family farm and we think a lot of the family farm. For many of us it is the dearest of our realities; for many of us it is the dearest of our memories. I am one of that number. I was born on an Algoma farm near Rydal Bank, Ontario, which is 10 miles north of Bruce Mines. My Scottish grandfather and grandmother made a fair living for a big family. My grandfather augmented that living with forest ranging in the summer. No one can make a living any more on that farm and the place is idle and deserted.

I also remember a farm in Kaladar township where my family lived. Kaladar township is only 100 miles west of Ottawa in the northern part of Lennox and Addington county. In the second decade of this century that farm, with its 250 acres of rough land, about 50 of which were tillable, produced a living for our family and no less than three hired men. Beef and dairy cattle were produced. Two large marshes that were on the property were cut each year to supplement winter feed. Lumbering and wood cutting were carried on, potatoes were a good cash crop and acres of turnips were grown each year on the sandy loam soil. However, what arable soil there was, as I said, was a sandy loam but it was kept productive by the steady annual application of large quantities of livestock manure.

Today that farm is deserted and unproductive. It fills me with nostalgic and wistful memories whenever I pass this place on Number 41 highway three miles north of Kaladar. True, the present owner has a tenant living in the house but the wind whistles through the rough, weathered vertical siding of the now long-empty barn that my father helped to build in the year 1911.

• (3:50 p.m.)

This barn has a stone foundation, is of ample dimensions and stabled 60 head of cattle. I would say it stored at least 60 tons of hay. I have heard hon. members say that such areas which cannot now maintain production should never have been cleared for agriculture. I grant that this is probably true. In that particular area at one time some of the finest pine timber in the country grew, as has been mentioned by the hon. member for Renfrew North (Mr. Hopkins) who represents a similar area. Man's personal greed, which resulted in a lack of conservation policies in the early days, and the cross-cut saw have been the undoing of this area. I might say that in 1920 my family moved to Napanee, a more productive part of the country, and settled in Richmond township.

Some of the examples I have mentioned, for which I can personally vouch, as well as many others across the country will provide the areas in which this measure must work and work according to the principles of ARDA. As we approach Canada's second century I predict that if ARDA makes a proper start the men sitting here 100 years from now will still be using ARDA and its fundamental principles to improve and rehabilitate the forgotten and neglected corners of Canada.

Let us go back momentarily to the term "economic unit", about which we hear so much. I should like to quote the *Rural Co-Operator's* definition of an economic farm unit. This article appeared in the *Rural Co-Operator* for Tuesday, April 26, 1966, under the heading, "There's A Future On Such a Farm".

What is the future of the 150 to 200 acre dairy farm? From time to time some economists predict the demise of this type of operation within 10 to 20 years. They urge the creation of enormous enterprises such as the big corporation farm. Largeness is equated with efficiency.

You can put a big question mark after that statement, Mr. Speaker. There is a great deal of doubt now that largeness is equated with efficiency. I continue to quote:

However, over the past two or three years a number of intensive studies have been completed on

what constitutes the efficient farming unit. Michigan research workers concluded that the ideal size of the family farming unit ranged between just below 200 acres and up to 300 acres.

Farms above this range run into problems such as under use of equipment and shortages of hired help. And with really large units, there was the very real problem of finding workers who would take a personal interest in livestock operations.

This article bears out my warning to the government as to the variation in the requirements for economic units in the various areas across the country. In addition, this statement is borne out by the fact that rural people and bona fide farmers are the best judges of the application of the term "economic unit" as it may apply to future operations.

There is another cautionary note to be injected here which I take from that very extensive preliminary report on rural poverty in four selected areas of our country. This report was prepared by the Canadian Welfare Council and I should like to congratulate its compilers and editors upon the valuable information they have provided. As a result of interviews with dozens of families living in varying degrees of economic circumstances in the four selected areas of Canada, it is to be noted that almost without exception the head of the family said that despite the existing disadvantages he did not wish to leave his farm. I again warn the government not to create a situation in which rural people are uprooted and forced into an urban environment for which they are ill-suited and unadaptable. In short, there are certain types of people who would rather live on the land than anywhere else despite their economic problems. This is their right, their liberty and, moreover, a good philosophy of life.

This statement applies especially to parents who do not want to move at middle age. Let us agree to use the $50 million to help them stay there, to help them produce something tangible where very little was produced before. Let us help them to help themselves.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in rising to say something in this debate I want to say that, unlike most of the members who have participated in the discussion, I do not represent a rural area. However, I do represent a constituency in which I have met a large number of people who have moved from rural areas in Manitoba, particularly from the Interlake area of which the minister spoke the other day. Before I became a federal member I represented a provincial constituency in which there were a large number of Indian and Metis people who came to the city of Winnipeg from the reserves on which they had lived with their families for generations. I am in favour of improving the living conditions of people who have traditionally lived in the rural areas of this country. One could no more oppose this bill than one could get up in this house and say he was opposed to motherhood.

At the same time I am not at all convinced from what I have heard or what I have read that there is anything in this bill which will do much except move the people who now live in the rural slums of Canada into the urban slums of Canada. There is not much advantage to a person moving from one slum to another. I am not convinced they will live much better in the urban slums of Winnipeg, Toronto or Montreal than they have in the rural slums. This is a tremendous problem with which this bill proposes to deal. In introducing the measure on May 10, the minister gave some very interesting figures. He pointed out that in this country there are over 95,000 families living on farms which could be classified as low income farms. This meant that they had gross sales of less than $2,500 a year. He spoke of the Interlake area of Manitoba in which there are almost 3,500 farms and in which one-third of the farms sell annually between $1,200 and $2,500 worth of products. The remaining 40 per cent sell less than $1,200 worth of products annually.

• (4:00 p.m.)

I have been in that area and I know the conditions under which the people live. I can remember canvassing in the Selkirk constituency and being in a town in which the people were living in tarpaper shacks. Indeed, the wallpaper consisted of old copies of the Winnipeg *Free Press*. I cannot think of a better use for copies of the Winnipeg *Free Press* than that very practical use but it is not very esthetic wallpaper, to put it mildly. Nobody in this house is going to object to this bill under which it is proposed to spend $50 million. However, when one looks at the rural problem, when one realizes that as careful an observer as Mr. Merrill Menzies, who worked very closely with the minister of agriculture in the former government, the hon. member for Qu'Appelle (Mr. Hamilton), and I think is still doing some work for this government, says that in order to put in a program that will have any hope of success we will probably need to think in terms of spending not $50 million but $1,500 million, then one can

see we are really only beginning to nibble at the edges of the problem.

I am wondering what the minister proposes to do under this bill which could not have been done under earlier legislation such as P.F.R.A. I am not being critical; I think these things need to be done. But what the minister is proposing to do under this bill is to improve the physical—the minister shakes his head. If I am wrong I hope that some time he will explain why. The minister is proposing to improve the physical use of the land. He proposes to buy out farmers who are living on holdings which are too small for them, to consolidate farm holdings and help the farmers plant trees which will later be used for pulp and paper.

That is all very well, Mr. Speaker, but there is nothing in the bill, and I could find nothing in what the minister said in introducing the bill or anything he said earlier, which would indicate to me that the minister has come up with a plan to rehabilitate the human beings who are affected by rural poverty and who will be moved under the legislation now proposed. It seems obvious to me that the important thing is to do something not about the existing physical conditions but about the human beings who are involved.

We are still talking, Mr. Speaker, about test areas. This question was raised by the hon. member for Springfield (Mr. Schreyer) when he spoke a few days ago. How long must we go on testing? How long must we go on trying before we decide that the program is workable and can be implemented to the benefit of all concerned?

I am informed that some of the surveys of projects commenced several years ago, now completed but not yet published, indicate that the people who were moved as a result of these earlier projects are no better off now than they were before. I would be interested to hear the minister tell the house, either during this debate or on discussion of his estimates, of actual cases where the program has rehabilitated groups of farmers who have been relocated. If that information is available I think it should be given to the members of the house and the public as a whole.

It seems to me that this legislation is not broad enough to provide for a comprehensive program of rehabilitation of the sort required. If I am wrong I should like to hear from the minister where such a program is spelled out in this bill or in anything which he said.

During the conference on poverty which was called by the government some months ago a paper was presented by the special planning secretariat entitled "Profile Of Poverty In Canada" This paper was referred to by my colleague, the hon. member for York South (Mr. Lewis), during the Budget debate. In discussing what should be done about poverty the paper made a number of practical suggestions. It suggested that we would have to deal with the question of education, with the question of housing and with the question of health; yet none of these matters are dealt with in this bill.

It may be that the minister will answer that these questions will be dealt with in the manpower program of the government or in the proposal for a health insurance program. But I would submit that this whole program will fall apart and will be unsuccessful unless the basic factors I have just mentioned are dealt with, and they are not dealt with at the present time.

I want to summarize very briefly what the "Profile of Poverty" report to the conference on poverty suggested. With regard to education it stated:

> A 1960 survey showed that about half of the unemployed had not finished primary school. Over 90 per cent had not completed high school. Among people who had not completed primary school, the unemployment rate was six times greater than it was among high school graduates.

A little farther on there is this paragraph:

> The child of poor parents is greatly handicapped in taking advantage of the educational system. It assumes of him values and experience that he often does not have. Poor housing (which means lack of facilities for study), ill health, poor social and home environment, distance to school, lack of proper nourishment and clothing, ignorance of opportunities, as well as psychological factors and the attractiveness of early earnings—all these are reasons why poor children tend to drop out of school earlier and therefore why a culture of poverty tends to be perpetuated.

That statement was reinforced by the minister the other day when he gave the percentage of rural population of school age or over, but not attending school, whose highest grade attended was grade 8 or less. It appears, according to the figures put on the record by the minister, that in every province in Canada more than 50 per cent of the rural population—in Quebec it was 77 per cent and in Newfoundland 72 per cent—have not attended school beyond the level of grade eight. Under these circumstances, what the minister proposes to do here is bound to fail regardless of how aggressively he proceeds with the

program. The "Profile of Poverty in Canada" paper, dealing with the question of health, had this to say:

> Low income groups receive less health care than higher income groups, although they suffer from more illnesses in general and their illnesses tend to be more severe.
>
> Assistance in meeting health needs has so far been of benefit more to the elderly than to other people. That is, the gap in treatment between poor children and rich children is greater than the gap between the aged poor and the aged affluent.

These people are concentrated to a large extent in the areas with which the bill proposes to deal, but they can look forward to very little as a result of the proposal of the minister.

With regard to housing the report had this to say:

> In 1961 Canadian housing provided one-third more rooms than the number of people. But in 60,000 homes there were only half as many rooms as people.
>
> Crowding as measured by persons per room is closely linked to income levels. Among families earning $6,000 and over in 1961, only 18 per cent lived in dwellings providing less than a room per person. Among families earning less than $3,000, this proportion was 35 per cent.

It is no secret that the majority of the people living in rural areas, particularly the kind of areas this bill is supposed to assist, are people who live in homes not equipped with running water or indoor plumbing, and have only the barest minimum living conditions which could be considered at all adequate. There is nothing in this bill to indicate that the government proposes to make a major drive toward improving the housing conditions of those who live in the rural and undeveloped areas of this country.

• (4:10 p.m.)

In the pamphlet entitled "Poverty In Canada" by Mr. M. W. Menzies, to which I referred earlier, mention is made of what the problem is and what needs to be done. I want to summarize this very briefly. It seems to me that Mr. Menzies has indicated both the problem and the solution. The minister seems to have paid attention to the problem. I do not think, however, from anything the minister has said that it can be shown that he has thought of the solutions pointed out by Mr. Menzies and other serious thinkers to the problem of rehabilitating the rural poor. Nothing that the minister has said would indicate that he is thinking along these lines.

[Mr. Orlikow.]

I quote briefly from page 6 of the pamphlet by Mr. Menzies:

> Approximately 50 per cent of the farmers in the study area, if provided with suitable alternative employment and the training required for it, could leave the agricultural industry to the benefit of themselves and to the net gain of the remaining farm community and the national economy.

I am sure the minister would agree with that, as would every other hon. member of this house. However, unless we do a great deal in the way of education not only for those who are now in schools but for those who did not attend school or who did not attain more than a grade 8 education—in the case of Indians this would apply to those who do not have more than a grade 4 education—and are moving into the cities of Canada, the proposals which the minister and the government have made will come to naught. We must inaugurate an aggressive program of adult education.

I know the difficulties. I know that education is a provincial responsibility. However, unless the federal government takes the lead in working out a co-operative program of education with the provinces, the problem which this bill seeks to solve and the problem of manpower, the solution of which required the appointment of a new minister with a galaxie of civil servants backing him up, will fail to be solved. Although the level of education has improved in my own and in other provinces it is still so low that a crash education program is required at this time. Nothing that I have heard from the Minister of Forestry or from any other minister indicates that the government is trying to solve the problems I have just outlined.

Mr. Menzies also says on page 7:

> Relatively few farmers in any of the study areas who owned less than 100 improved acres had achieved an economic farm operation.

I suppose the minister will say that is precisely what this program is designed to do, to consolidate land holding so that farmers will have more than 100 acres. If that is intended I suppose that the program may be successful. However, I am very concerned about those who will be forced off the land and probably move into cities such as Winnipeg, Toronto, Montreal, Regina or Calgary and who will, for the reasons I have already indicated, not be sufficiently equipped by way of education or experience, or because of their whole way of life previously, to make a go of it in the city. It seems to me that we must develop a program to help people who

move from the rural areas to the city, as they are doing.

Mr. Menzies points out that almost half of the cash receipts of farmers with farm incomes of less than $2,500 came from off-farm earnings and from such social payments as family allowances, old age pensions, welfare payments and the like. When it comes to the Indians, I submit that the proportion of income derived in that way would be not half but three-quarters or more. Here again, I submit that we must devise programs in order to help those people to become self-sustaining, and to help them come off the welfare rolls. In that way they would no longer be a charge on the state, a charge on the community, but instead would become self-sufficient, independent and be able to manage for themselves as do most people in Canada.

I said at the beginning, Mr. Speaker, that I am not an expert. It is not my intention to oppose or vote against the bill. It seems to me that behind this bill, as behind the proposal for the Company of Young Canadians, we have a slogan picked up by the Prime Minister and by other ministers from President Johnson of the United States who used the famous phrase "the war on poverty." The war on poverty in this country is probably the most important war we can fight and should be fighting.

The Prime Minister picked up this slogan about two and a half years ago. Canada was going to have its own war on poverty. I do not want to be critical of the Company of Young Canadians. It may very well be a good program. However, one would have thought when the Prime Minister first announced the war on poverty some two and a half years ago that there would have been activity in the field within days or weeks. Yet two and a half years have gone by and still the program is in the planning stage. It is the same, I submit, with this program which is a new version of ARDA. It is the same with the other war on poverty programs so far announced by the government.

What we have had so far is a fantastic deluge of words. If every word uttered by the Prime Minister, other cabinet ministers and other members of the Liberal party who have spoken about the war on poverty in the last two and a half years were worth $1, we should have more than enough money to solve the problems of poverty in this country. I hope that we have had enough words from the government side and that we will see some action. I hope that as the result of the wonderfully enthusiastic speeches made by the Prime Minister, the Minister of Forestry and other ministers we shall begin to solve the problem of the poor in Canada instead of merely talking about it. We must admit with a good deal of shame in this year of affluence, 1966, that the poor still comprise more than a quarter of the people of Canada. That is not good enough.

• (4:20 p.m.)

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I have listened with a good deal of interest to the speeches which have been made on this ARDA matter. I must say that, even though the speeches were not of equal value, I have learned something useful about the proposed legislation from all of them. This applies more specifically to the statement made by the hon. minister at the beginning of the debate.

Some of the things the hon. member for Winnipeg North (Mr. Orlikow) has just said are quite accurate, and I agree with him on some of them. For instance, there is a pressing need to foster education in Canada, within the limits, naturally, of the constitution. However, I did find the tone of his speech rather pessimistic, and feel that this legislation, although it is far from perfect or adequate, will still be of great use to the country.

I should like to point out, in answer to an objection raised by the hon. member for Winnipeg North, when he said that the government seems to have been fumbling around in the last two years or two and a half years and that it talks a lot about proposed legislation but does not accomplish very much, that as an independent I do not have a political party to protect or destroy. To my mind—and I bring up a matter I have already mentioned two or three times in the house—if we could but have a truce for a few months and postpone our petty personal and political wrangling, say till after the summer recess, in order to pass the series of bills we have been promised in the last year or two, and if there were to be less filibustering from some parties in the house, it would be possible to have a greater number of laws beneficial to the Canadian people generally. This is intended to be constructive criticism on my part.

In any case, Mr. Speaker, I think we have had a constructive debate up to now and it should be carried on in that spirit. The way in which the minister introduced his bill has

probably a great deal to do with the constructive aspect of the debate. He was not so narrow-minded as to claim all the credit for himself or his party, but gave due credit to the hon. member for Qu'Appelle (Mr. Hamilton) who introduced this legislation when he was minister of agriculture. In short, he explained his bill in a way which contributed to maintain the serenity of the house.

Mr. Speaker, I would not want to give the impression that I am just saying this to make a speech; I simply want to point out to the house that this tone should be more generally adopted when we are considering a piece of legislation.

I have been very much interested in this bill from the beginning and, even if I do not represent an essentially rural constituency, I have studied the bill because I was one of the founders of the Central Quebec Mayors Conference which is interested in the economy of the region known as the Mauricie.

I have also studied the bill because I am a former member of the executive of the Canadian Federation of Mayors which contributed to the creation of an organization known as the Canadian Council for Urban and Rural Renewal which is particularly interested in area planning.

Even if all the possibilities of the bill are not as familiar to me as they are to the experts, I would like nevertheless to submit two cases to the minister, two cases in point or pilot cases, as it were, which I think would perhaps also help other areas to better understand the possibilities of the bill.

My own constituency is semi-rural and semi-urban. In the rural part, including the municipalities of Saint-Étienne-des-Grés, Saint-Barnabé, Pointe-du-Lac, Saint-Thomas-de-Caxton, and a part of Yamachiche, there are extremely poor farms.

A century or a century and a half ago people settled there because it was a good lumber area and they prospered. However, in the past 30 or 40 years, the farms have become quite marginal, but they could easily be improved and thousands of acres could thus be redeveloped, near cities, into very profitable truck farms. This would keep on the farm thousands of farmers and sons of farmers now going to the city and taking up the jobs of city people.

After a brief study, we thought of a solution, and I wonder if ARDA could not help implement this solution in order to redevelop all those farms.

[Mr. Mongrain.]

Here is the solution. The Union of Municipalities and Mayors of the province of Quebec, in co-operation with the Central Quebec Mayors Conference, thought at one point that the domestic garbage disposal system, producing compost, could be useful. The provincial government participated in this study by sending a delegation to Europe to see how this system could be used to make a sort of compost which would be very advantageously used to improve marginal farms when fertilizer is also added. In any case, that is the opinion of farm experts.

In my area, if I may be allowed to mention it, Trois-Rivières, Trois-Rivières-Ouest, Pointe-du-Lac, there are several small municipalities where garbage serves no useful purpose. It is sent to the incinerator for burning, whereas each day tons of domestic garbage could be treated with the bacteriological process and turned into compost which could be used as a fertilizer.

It is a project that would probably cost $750,000 to serve not only the whole territory of Trois-Rivières itself but also a large area of the province of Quebec.

That project was studied quite a bit. I am wondering if it would not be possible to carry it out with the help of the municipalities? The government of the province of Quebec which studied the problem seems ready to do its share through its Department of Agriculture and its Department of Commerce and Industry. Moreover, I am wondering if it would not be possible to have a more detailed study made by technicians to submit that project to the province. I am telling this to the minister to find out if it might not come under the scope of the ARDA program. In my opinion, it would help solve an acute rural problem in the riding which interests me personally.

But my preoccupations go outside the riding of Trois-Rivières, Mr. Speaker, and here is why. I am a director of what is called the tourist board of the St. Maurice region, which is made up of some 85 municipalities in central Quebec and sponsored by some 80 mayors who are themselves members of the Mayors' Conference of central Quebec which merged, a year or two ago, with the tourist organization which covers the region served by the Lake St. John-Roberval highway.

I think that from the municipality called Les Piles, a little further North of Grand'Mère, which is now part of the St. Maurice riding but which, after redistribution, will be in the riding of Champlain—and I

am grateful to my colleague for the riding of Champlain (Mr. Matte) for saying a word about it the other day in his speech—that area is now almost unproductive from an agricultural point of view. As a matter of fact, it is too hilly, too rocky. But it is wonderful country for tourists. It has a very good road which follows the St. Maurice river in a colourful setting; I would say it is even more colourful than what can be seen north of Montreal, and it reminds one of the Matapedia valley.

Some of the land there is unsuitable for farming because it is too rough and the farms are unproductive because the region is too mountainous. These people go to work in the towns or in the bush.

This territory is almost 70 miles long. Mr. Speaker, I should like to repeat, with your permission, what I said earlier about the hon. member for Champlain, who was absent at the time. I would like to thank him again for his intervention the other day concerning this area which will soon be part of the riding of Champlain.

Sheep and goat breeding could be promoted, since the region is mountainous; this is also a branch of farming, but I am less familiar with it and I shall not pursue the subject.

• (4:30 p.m.)

But there could be a further development of the tourist industry, which is already promising and for which private industry and municipalities have made great sacrifice. It could be expanded considerably, since the trans-Canada highway will go through La Tuque, Grand-Mère and Shawinigan. And, all the local people of those territories could stay on their land and would not be forced to go to cities to take up the jobs of city people, or to go to work in the bush. This would kill two birds with one stone. It would open up jobs for unemployed city people, and these country people could live in their territories. Private enterprise has been able to do something. Municipalities took an interest in it. If it were possible to get some assistance from ARDA to complete what has been done by the public bodies up to now, it would mean the development of a potentially rich economic area in central Quebec.

Studies were carried out, but they were summary studies. In 1961, the Quebec government let us have technicians on loan through the Department of Commerce and Industry. They loaned us economists. They prepared a survey of the potential of the area, which was incorporated in an interesting volume which I will be pleased to forward to the minister in a couple of days and which can be used as a working basis for more extensive studies.

The time has come to give a definite stimulus to all these things for which the mayors, the members of parliament, the tourist commissioners and the Quebec department of commerce and industry paved the way.

Preliminary studies are costly. The services of experts in all kinds of disciplines are required. I think ARDA can support the cost of such preliminary studies. But you will understand that there are two objections: The time needed by the province to approve the projects and the time needed by the federal government to give confirmation will delay the projects quite a bit. Municipalities are sometimes reluctant to embark upon such a project, before knowing what it may represent.

The minister can clarify the situation concerning the problems which I raise and which are similar to those raised here during the discussions. Will ARDA participate only in cases under the jurisdiction of the municipality or under that of the farmers co-operative? Or will ARDA participate in certain cases where private interest could also be involved? Those are questions to which I have no answer, and which could help solve our problem.

Mr. Speaker, in my opinion this ARDA program is outstanding. We talk of fighting against poverty. There is a concrete way of doing it. Readers of *Time* magazine will see what tribulations are being experienced in the United States in their war against poverty. They will see that Canada is directing its efforts much more realistically and that, in so doing, it will escape the trials and bitter criticism experienced by the Americans.

I congratulate the hon. minister and his colleagues who have created this body.

Before resuming my seat, in accord with the member for Champlain, I should like to urge the minister to meet the Central Quebec Mayors' Conference and the St. Maurice Tourist Commission which deal with the problems I have just mentioned. He will be asked questions. He will find people there who are willing to co-operate in the implementation of measures intended to make poverty and misery vanish from our midst.

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, the house is now studying Bill

C-151, an act to provide for the establishment of a fund for the economic and social development of special rural development areas. As for special areas, I think there are several of them in Canada. There is scope for specializing a little everywhere. But I fail to understand this, Mr. Speaker, that in the 20th century, in 1966, in a world of progress and development, in which political and scientific economics has developed in every field, we should be waging a war on poverty.

We should not have to speak of poverty in 1966, in a century of progress and science: but the system or industry throws the Canadian people in such poverty and destitution as has not been known anywhere in the world.

Possibilities are numerous in Canada. The physical possibilities are tremendous, but the financial possibilities are not there. The financial possibilities do not reflect the physical realities in Canada.

Mr. Speaker, before going further, I should like to see, to get a picture of what ARDA should do. The minister has spoken about it. He has outlined ARDA. I would like to tell the house what responsibilities the ARDA program should consider.

Mr. Speaker, there was, there is still much room for improvement, especially in agriculture, since ARDA is intended to help agriculture; this does not mean that it should help only agriculture and not the other fields. Already, $125 million have been voted, and spent, I believe, without giving anything much to agriculture; indeed, without improving anything very much in other sectors of the Canadian and Quebec economy.

So, we are asked to approve another amount of $50 million. I feel that $50 million is but a drop in the bucket. What are we going to do with $50 million to restore the economy of a country with 20 million people? Mr. Speaker, it would take two billion dollars just to start on an economically feasible basis with a plan such as that one. We talk of $50 million, when there are physical possibilities for two billion dollars. But we lack the financial resources to finance the developments or improvements everyone would like to see springing up.

• (4:40 p.m.)

Mr. Speaker, here again there has been a lack of research from a technical standpoint on agricultural methods, farm land possibilities, farm management and marketing. This has been lacking and it still is. This is where ARDA should spend its money if we really want to help agriculture to come out of its stagnation.

A bigger slice of the ARDA budget should therefore be devoted to research and experimentation and to further the knowledge of those whose task it is to improve agricultural science and techniques.

There should be a greater number of true specialists for most types of farming.

ARDA should see to it that farming techniques are rationally put into use according to rural resources available and their development, whether it is the human potential or physical resources, or any means the farmer has to produce.

A farmer may be relatively efficient on his farm and even successful to some extent without making full use of the resources available to him; either his resources are limited or they are fully used or, still, poorly used.

I understand that the objective of ARDA is, of course, to get maximum production from existing resources; this is the objective.

One look at official statistics, Mr. Speaker, will suffice to ascertain the seriousness of the stagnation in the field of agriculture at the present time.

We are told that this amount is needed to take agriculture and the Canadian economy out of their present stagnation.

The gap between the cost of services and technical equipment, on the one hand, and the prices of farm products paid to farmers, on the other hand, is increasing. Prices in general have remained unchanged since 1949 while cost of goods and services has steadily increased.

The net margin of profit, per production unit, has therefore decreased. It is not surprising, therefore, that the purchasing power of farm products as compared to the price of farm equipment has decreased by close to 28 per cent during the 1949-1963 period.

It is to be noted that the cost of living has increased considerably on the farm—by about 75 per cent—during the same period. Furthermore, the producer's share of the consumer dollar has been decreasing all the time. In 1950, the Canadian farmer was getting 50 cents out of the consumer's dollar, but in 1960 he was only getting 40 cents and in 1964, 35 cents.

The actual net farm income has decreased considerably since 1949, taking into account

the fact that the number of farms has also decreased, and this shows the tragic situation of Quebec agriculture.

There have only been a few good years for our farmers during that period. For instance, during the period 1951-1955, the national average net farm income was $237 million, but in the past few years, it has remained between $185 and $200 million. We had the opposite situation in the larger cities where, since 1949, the purchasing power of the other classes of society has increased by at least 51 to 52 per cent.

According to statistics, in 1963 the average weekly salary of industrial workers in Montreal was $82.43, while the average net income of the farmer for the same year was $2,100, that is $40 per week. This income covered his work and that of his family and paid off his debts.

This does not mean that our farming is inefficient; on the contrary, agricultural production has practically doubled over the last 15 years or so, in spite of a noticeable labour reduction of almost 50 per cent. We should therefore recognize that others have profited from the efforts of the farmers to increase their production and their efficiency; product quality standards, processing and distribution standards have been raised; only one factor has been forgotten, consumer prices. It is not abnormal that the farmer, who is first in production, should become the last one considered with regard to remuneration? When considering the farmer in an industrial context, one is constantly faced with paradoxes.

Indeed, he is ostentatiously called a contractor, when his income puts him in the same class as the most disfavoured workers.

This small income is further reduced by the property tax, which in 1963 represented about 9 per cent of the gross income. To this could be added the tax on building materials, representing an additional disbursement of at least 17 per cent: 11 per cent for the federal government and 6 per cent for the provincial government.

This is the situation in which our farmers find themselves. If we are really to help agriculture, to fight poverty, we must eliminate this precious 11 per cent tax which is ruining the farmers and destroying his spirit of enterprise.

High finance controls all our institutions, both agricultural and commercial, as well as transportation.

The ARDA program will socialize our countryside.

Farm credit, that is to say farmers in debt, is the very cause of the destruction of the farming community.

Grants to institutions are paralysing resistance.

Taxes are ruining us; they are one of the factors which have paralysed our farmers through spoliation and mortgages on their property.

School taxes in the country have become an intolerable burden to farmers with a small annual income of $1,500 to $2,000 for the whole family. They have to pay $400 to $500 a year in school taxes, not to mention municipal taxes and the interest on their farm loans. They have nothing left to live on for themselves and their families; that is why they abandon their farms and go to the cities.

All sorts of other ways are tried to live in the city. I will tell you frankly, Mr. Speaker, that many of the farmers are unhappy in the city because they are made to live out in the country; they would like to live on farms, but they do not have the means to go back or to make a living there.

Farmers once had large families, made a good living from their farms, and the father could even help his sons to settle on a neighbouring farm; his daughters were also helped. The opposite is true today.

With modern progress, life in the country has become impossible. It is easy to understand why.

The ministers and the economists longwindedly try to prove that farming is not, or is no longer profitable and that only the state can afford to farm.

I should like to ask these ministers and economists how it is that in some countries. carrots can be grown on rocks. Rocks are being cultivated. Such rocks are being planted and become profitable. In Canada, we have the most productive farms anywhere in the world and they are abandoned.

How is it that farms are no longer profitable or, if so, only to the few?

A farmer requesting a farm loan is told: "Your farm is not economic, give it up and go to the city." The farm is sold to the second neighbour. How is it that it is not economic for one but it is for the other?

This is the situation which prevails now in the province of Quebec. I do not know much about the other provinces but I imagine the situation is about the same.

Our producers are the victims of all kinds of regulations which compel them to equip themselves beyond their means, to give milk control to a group of friends in the government or to financial backers of elections.

It is true that the Farm Credit Act has temporarily alleviated the lot of the farmers, but it is or was credit to repay. If our economists and our governments had opened their eyes and their ears, they would not have prepared the way so well for socialists and communists, against whom they are trying to fight.

• (4:50 p.m.)

What is needed is interest-free credit to finance the producers, farmers and others; it is interest-free loans from the Bank of Canada or credit offices. Interest-free loans are free money for development. It is not with interest-ridden money, borrowed money or debt money that the economy can be improved.

If only our federal and provincial governments had listened to the voice of the Créditistes and created credit, they would have helped the farmers more than with their miserable farm credit or the ARDA program. It is a sleeping pill and when the poor sleeper awakens, he finds out that he has been stripped for everything he had; interest on his loan and taxes have left him nothing. That is why he has to leave his farm. Taxes have increased in proportion to the improvement of the farm or industry. Your farm is valued at $6,000 and you mortgage it for $4,000, but the municipal assessors are kind enough to assess your property at $13,000 and the taxes get higher and higher. Several people know that story because it happened to them.

What drove the farmers away from the rural areas? The present system. And as a remedy, socialism is forced upon us by laws which will impoverish the community even more and will leave the citizens poorer and poorer and stripped of their heritage.

What we need is not credit with interest; mortgages in a stifling financial system or grants to the socialists of the ARDA program are not what will save us; it is the liberating social credit with interest-free loans for producers and free money for consumers.

That is what would save us, Mr. Speaker.

[Mr. Latulippe.]

They are creating socialism which will take over because individuals cannot live on their own under the present system. The state is socialization, control.

Mr. Speaker, with an upside-down and unhealthy financial system such as the one we have, socialism is inevitable, people are starving.

Take the school boards for instance. They no longer can meet their obligations in the rural areas and in the cities; they are no longer able to balance their budget; therefore, they ask for grants; the grants are never unconditional and the conditions are control by inspectors, strait-jackets.

Communism sets in. Loss of freedom ensues. Public debt increases, taxes become general and, soon, citizens receive only the stubs of their cheques. That is where the present system is leading us, because our leaders refuse to assume their responsibilities to put some order in the financial system and socialize credit instead of socializing goods and individuals. Those are our responsibilities.

As the country develops, our debts progress and increase: personal debts, federal debts, provincial debts, school debts, hospital debts, university debts—

The Acting Speaker (Mr. Rinfret): Order please.

Mr. Latulippe: Church debts—

The Acting Speaker (Mr. Rinfret): I regret to interrupt the hon. member; I am afraid he is digressing into the economic field, most interestingly, no doubt, but his remarks should be restricted to the bill now before the house concerning agricultural problems.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, on a point of order.

I should most respectfully like to call your attention to a very significant point in the debate.

Under Bill C-151, $50 million will be earmarked for ARDA programs. Now, to implement ARDA programs, the minister knows that some parishes will have to be eliminated and others formed, that some farms will disappear to increase the number of farms—

The Acting Speaker (Mr. Rinfret): I regret to interrupt the hon. member but if he has heard the hon. member for Compton-Frontenac (Mr. Latulippe), he will surely admit that the latter mentioned the national debt, credit facilities for farmers or for ordinary citizens.

I simply wish to ask him to restrict his remarks to the bill under consideration.

Mr. Caouette: Mr. Speaker, could you enlighten me on one point. Are the $50 million we are asked to vote not specifically earmarked to grant in certain cases, credit, to help agriculture and to re-establish people on the farms?

To my mind, the member for Compton-Frontenac is within the purpose of Bill C-151, which is an extensive bill since it involves the whole field of agriculture.

The Acting Speaker (Mr. Rinfret): I thank the hon. member for Villeneuve for his remarks and I ask the hon. member for Compton-Frontenac to proceed with his own.

Mr. Latulippe: Mr. Speaker, I thank you for your remarks and I shall certainly follow your suggestion.

Since the bill deals with money, one must refer to money matters. In that case, the discussion turns to administration; when one speaks about administration, one must refer to taxes, debts and the present situation. That is why I mentioned the present indebtedness and imbalance in various fields. It is impossible to survive, to progress and to operate with money as is being done, while turning everything over to the administration. I know that out of the $50 million for ARDA, three quarters will go for administration costs and approximately one quarter for the development of the ARDA program. That is why I say $2 billion would be needed instead of $50 million. What can be done with $50 million? It is ridiculous to vote $50 million in order to teach how to fight poverty and to strengthen the economy of a country.

I know that progress is made according to one's resources not according to opportunities. There are many opportunities, but they refuse to issue the money possible to develop those opportunities in Canada. That is why I want to try and make some people understand that no economic progress is possible if our financial system is not adjusted to our economy.

When an area is developed, it is merely a physical and material development; if no financial development takes place, the results are not worthwhile.

• (5:00 p.m.)

Finance is needed to operate. If we can produce goods in Canada, we can also produce finance. If we do not do so, it is because we refuse to accept our responsibilities. There, Mr. Speaker, is the crux of the problem.

Now, taxes make taxes, and taxes make more debts. What do the financiers give in sweat for the millions they lend the government and individuals? Not a single drop. They only supply drops of ink. That sums up the question of finance; it is nothing else. Finance is a matter of accounting: accounting means balancing. Accounting must be adapted to facts and reality, as well as to the physical possibilities Canada holds. That is where we stand, Mr. Speaker.

Now, before bringing my remarks to a close, I should like to refer to the answer the hon. member for Montmagny-L'Islet (Mr. Berger) gave me yesterday in reply to my question. He said it was always the same story, a question of finance, it was this or that. If it is not a matter of finance, what is it? Why $50 million, Mr. Speaker, if it is not a question of finance? Why give out money, then levy taxes? All this concerns finance.

But I say taxes rob the people. Those who lend money and credit dominate through their power and have reduced the government or governments to mere servants of private interests. That is the point we have reached: we have become mere servants of private interests. Yet, we are able to govern. We should be at the controls; others should not come from St. James Street in Montreal, or Bay Street in Toronto. Orders should come from Parliament, from the Minister of Finance. He is in charge, he holds the controls; in short, he holds everything; he could, if he wanted to, with the approval of the Canadian people and the members of Parliament, organize, even tomorrow morning, a viable economy in Canada, an economy of prosperity in affluence.

We know how to produce. There is no difficulty in that respect. If you want production, it is yours for the asking. If you need a pig, Mr. Minister, you will have one. There is no need of a plan for this and a plan for that, or any other gimmick. The people want to know. And we are the ones who know nothing about finance. We do not know what to do with finance. When someone puts the matter before us, we find that funny. It is funny for the moment, but it will not always be funny; let us keep that in mind.

[*English*]

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

[*Translation*]

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, before closing the debate on second reading, let me thank the 29 members who, since Tuesday, have made very interesting comments on the bill itself, on the ARDA program or on the situation in rural areas.

As you can well understand, I followed with great attention everything that was said.

I could easily answer every question put to me but I believe it might perhaps be preferable if I confined myself to five or six basic points raised by several members.

Much was said about the fact that, in my introductory remarks, I mentioned only three special development areas.

In fact, I wanted to give only three examples of the kind of comprehensive development program we could have. There are a great many other areas in each of the provinces of Canada, and discussions are now under way with the provinces in connection with the establishment of special development areas.

I am thinking, for instance, of the census districts Nos. 14 and 15, in Alberta, northern Saskatchewan as well as Newfoundland, Nova Scotia, Cape Breton, and New Brunswick. I did not want to talk at length of all areas in which we are now making development plans, in conjunction with the provinces, because it seemed to me it would lengthen this debate much too much.

I gave only three examples to give an indication of how we see the job.

I think it is very important, first of all, to emphasize the method used, the procedure followed. It is the provincial government which designates, with the federal government, through, the administration of ARDA, a special development area, under Part VI of the ARDA agreement.

Once an area is designated and once the method of financing preliminary studies is estabished, a comprehensive area development program is prepared.

Why do we propose to aim at certain areas of Canada, excluding others? Simply because we, in the provincial and federal governments, thought that a very special effort is needed where low-income families are concentrated in rural areas.

And the program we are proposing under Bill C-151 is meant to enable the federal government to make a special financial effort in those areas.

Remember that there is the federal-provincial agreement on the economic rehabilitation of rural areas which covers all the rural areas in Canada and does not exclude anything; that this agreement was signed by all the provinces at the beginning of 1965 and that the federal government undertook to allocate to it $125 million in the next five years; the provinces will probably allocate a similar amount to it.

But, in addition to that program, and in any case that is provided for in the agreement I have just mentioned, in Part VI, paragraph 37, there is something about the creation of a special fund and Bill C-151 which we are considering today concerns that fund.

Nothing is excluded in the sense that under the general ARDA program there can be programs for land redevelopment, rehabilitation and consolidation of farms, drainage, water conservation.

But, under Bill C-151 and Part VI of the agreement, the federal government and the provinces can agree to make a special effort in some areas.

Therefore, the procedure is practically the same as for the other parts of the ARDA agrement, except that a considerable financial effort is believed to be needed in certain areas.

[*English*]

Many members have mentioned that the $50 million provided by this fund will not be enough. I completely agree with them. However, it seems necessary to start with a fund and the proposal is that as soon as the sum of $50 million has been committed we will then come back to parliament to secure more funds. We could have asked for $100 million or $150 million but we felt that the initial amount of $50 million would give us an opportunity to see how the provinces would decide to co-operate with the federal government in the implementation of special rural development plans. These plans will apply particularly to human resources. Under the general ARDA agreement we cover the physical resources, but we are conscious that in some low income areas of this country there are problems of education, housing and health. The speakers this afternoon and in the last few days have insisted upon the necessity of better plans for education and housing conditions, with which we all agree.

We will soon be releasing some of the special agreements which we are now discussing with the provinces and they will show a special effort on the part of the federal government in co-operation with the provinces to get at the heart of the problems. I cannot give more details this afternoon because we have not yet finalized these programs. However, when this announcement is released to the public, members of parliament will see that we are making a special effort under this rural development program which will affect the well-being of individuals and not concentrate so much on the physical resources of the various regions.

In no case under Bill No. C-151 or the old agreements under ARDA is there any compulsory method to buy land nobody is forced to sell his land. In any event, it is always the provinces who take the initiative of proposing farm programs to the federal government for consideration. There is no threat of compulsion. Nobody is being asked to sell unless he wants to sell for one reason or another. There is no question of expropriation; there is no program for the establishment of state farms and so on.

• (5:10 p.m.)

In clause 7 of the bill there is mention of an advisory council. It is to be a council composed of high civil servants in Ottawa to review the programs which will be drafted by the ARDA administration in co-operation with the provinces. It is an administrative body only. There is already in existence under the general ARDA statute, in accordance with the provision of clause 7, a Canadian Council for Rural Development which supervises developments under ARDA agreements made in accordance with either Bill No. C-152 or Bill No. C-151. On this council there are representatives of the Canadian Federation of Agriculture, the National Farmers Union, the Canadian Welfare Council, the Canadian Forestry Association, and the like. We have popular representation on this council which will allow the ARDA administration to have contact with people in rural areas or people who are mostly concerned with rural development.

We do not intend to increase the staff of ARDA to implement the terms of Bill No. C-151 because most of the work is done by the provinces. We have to draft special agreements to implement Bill No. C-151. The ARDA staff is very small, perhaps 25 or 30 people. We have not increased the staff for about a year and a half. We are doing our work easily because most of the research that has to be done is done at the provincial level or by special groups. When the projects are submitted to us they are sent to the various departments of government who then accept them or make comments on the proposals that come from the provinces.

There are many other remarks I could make at this point, Mr. Speaker, but I think I have probably given a sufficient explanation, now and when I introduced the bill, to allow hon. members to discuss it in committee. I will be ready to answer specific questions if I can.

Mr. Winkler: There is a relevant question which I feel might not arise during the course of the discussion in committee. Would the minister accept it now?

Mr. Sauvé: Yes.

Mr. Winkler: Under the terms of this bill or under the terms of any other legislation within the jurisdiction of the minister but referring specifically to this bill, is it possible for a development area, regardless of whether it be rural or a small village, to have funds allocated for the construction of a plant for small, secondary industry?

Mr. Sauvé: This is possible under part VI of the federal-provincial rural development agreement. It must be in a designated rural development area under the ARDA agreement, not under the Department of Industry's program. This is possible, and we have done this in some provinces.

[*Translation*]

Mr. Mongrain: Mr. Speaker, in order to clear up the question asked by my colleague, I should like to ask the minister whether a compost type industry like the one I mentioned earlier could be included in that category?

Mr. Sauvé: Mr. Speaker, the undertaking mentioned earlier by the hon. member for Trois-Rivières would be some kind of an experimental project. If the Quebec provincial government wishes to propose such a project, I believe we might be able to make a contribution under the ARDA agreements. But the matter would have to be fully looked into. I think we could contribute under the agreements if the Quebec government wanted to propose such an experimental project.

[*English*]

Mr. Nielsen: Before the bill goes to committee, will the minister give assurance that the bill before us applies to the Yukon and the Northwest Territories in the same manner and to the same extent as it does to the provinces?

Mr. Sauvé: I cannot give this assurance, Mr. Speaker, because Bill No. C-152 says that the federal-provincial rural development agreement has to be an agreement between the federal government and a province. When we had our federal-provincial conference in November, 1964, the ten provinces and Canada were represented but not the Yukon or the Northwest Territories. We have not signed any agreement with either of the two administrative territories, so I do not believe it is possible to apply these agreements to either the Yukon or the Northwest Territories.

Mr. Nielsen: In other words, this 40 per cent of Canada, the Yukon and Northwest Territories, is excluded from the provisions of this bill?

Mr. Sauvé: This would be my interpretation at the moment. However, I am quite ready to have the position reviewed by the officials of the Department of Justice to ascertain if we can entertain projects from the Yukon or Northwest Territories.

Mr. Nielsen: Briefly, I am going to register a violent objection to this—

Mr. Speaker: Order, please. The minister has concluded the debate. The hon. member for Yukon had the right to ask questions but I suggest he cannot register a violent objection at the moment. He will have an opportunity to do this when we are in committee.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

On clause 2—*Definitions.*

Mr. Nielsen: Mr. Chairman, I want to complete the remarks I was making before the Speaker left the chair. I suggest that the minister might consult the Minister of Northern Affairs and National Resources to ascertain whether amendments can be included in the Yukon and Northwest Territories Acts so that the two territories would be able to participate in this legislation. These two acts are coming up after this piece of legislation is completed. I will have more to say then on this problem.

The Chairman: Order. Perhaps I should bring to the attention of the members of the committee Standing Order 59(2) which reads as follows:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

May I proceed now to deal with Standing Order 78, one of the new Standing Orders which I should like to bring to the attention of the committee. Heretofore our procedure in committee has been to take clause 1 first, on which a general discussion of the bill was held. Under the new Standing Order 78 the procedure is as follows:

> In proceedings of committee of the whole house upon bills, the preamble is first postponed, and if the first clause contains only a short title it is also postponed; then every other clause is considered by the committee in its proper order; the first clause (if it contains only a short title), the preamble and title are to be last considered.

• (5:20 p.m.)

Under this Standing Order the discussion in committee will begin with clause 2. It is my interpretation of Standing Order 59 that only comments in connection with clause 2 would be in order.

Mr. Howard: Mr. Chairman, I noticed the hon. member for Yukon did not rise to develop his thoughts further, though I think he may have had the opportunity to do so because clause 2 deals with the definition of (a) advisory board or board, (b) fund and (c) minister, all of which have certain functions to perform as set out in subsequent clauses of the bill. However, that is beside the point. I merely say in passing that I think the hon. member would be quite in order in talking about the advisory board because the definition of advisory board or board is the advisory board established by subsection (1) of section 7. This cross-reference makes it possible to deal with the functions of the advisory board. So I think the hon. member could pursue the point if he desired to do so, but perhaps the opportunity will arise later.

The Chairman: Perhaps the hon. member for Skeena would not object if I interrupted him at this time. My purpose in reading Standing Order 78 was not to indicate that the hon. member was out of order but that I hoped that in committee stage at this time we

would be able to observe the procedure laid down in that Standing Order.

Mr. Howard: Mr. Chairman, I do not know how to approach what I want to say with the delicacy necessary to get the point across to the minister. I think he is to be congratulated for the motivation which may have been in his mind in developing certain phrases to be found in the bill, but I think they might be reconsidered. For example, the bill contains within it a sort of male-female sexual relationship in view of certain constructions which can be placed upon marital situations in effect meaning that the husband has the money but the wife has the control and spending of it.

I raise this point only because I know of the tendency that exists to contract names of organizations and groups to initials. This is done here. According to the interpretation clause, fund means the fund for rural economic development. If we contract that to the initials of each word it becomes "FRED". There may be nothing wrong with that but when we look at the title it is to be the Fund for Rural Economic Development Act, which can be contracted to "FREDA".

I raise this point only because we can with impunity talk about ARDA, which is an accepted phrase, but I can imagine the concern and the blushing which might occur if the minister were to talk about the activities of "FREDA" and things which were possible pursuant to or under "FREDA". There are innumerable comments which could arise from this situation, all of which might be used in a way to lampoon the act and to ridicule its purposes and objectives, purely because of the tendency to contract names into abbreviated form.

Mr. Rapp: My wife would object to that.

Mr. Howard: The hon. member says his wife would object to it. Perhaps objection might be made to such an association being compared with an inanimate statute of Canada. This is an example of what could occur. Therefore, Mr. Chairman, I would ask the minister to consider renaming the act so that we do not run into the possibility of use being made of the contracted form of Fund for Rural Economic Development Act, which might detract from the whole concept of the legislation itself.

Mr. Sauvé: Mr. Chairman, like the ARDA legislation we have referred to the bill as FRED, so I guess that in time everyone will call it FRED.

Mr. Schreyer: Mr. Chairman, I want to relate my brief remarks to the reference in the bill to the advisory board and how it is to be constituted. I realize that the minister could have spent a great deal more time elaborating on all the questions put to him in speeches made today and yesterday, but I have one specific question on which I should like him to comment.

In considering the question of advisory boards and so on, how much thought was given to the feasibility or desirability of including on the various boards which will function under the scope of the legislation representatives of the people who are actually living in the special or designated areas? According to the minister's explanation, I understand that the particular board referred to in this legislation is to be constituted exclusively of senior officials of the department who are civil servants. Surely at some echelon of the programming which is to be done under the legislation formal provision should be made for including representation of the people who are actually involved in the special area programs.

It is a fact that in similar programs in the United States there is a legislative requirement that the people who are directly affected shall be entitled to representation on the different planning boards. Would the minister make some comment on this specific point?

Mr. Jorgenson: Mr. Chairman, on a point of order, I am wondering whether we are not getting out of order in our present discussion on the bill. Clause 2, which is now under consideration, deals simply with interpretation. The advisory board itself is open for discussion under clause 7. I am wondering whether we should wait until we reach clause 7 to discuss the advisory board rather than on clause 2, the interpretation clause. I do not want to interrupt the hon. member or to deny him the opportunity of making his remarks but I think they would be more appropriately made on clause 7.

Mr. Schreyer: In replying to the point of order, Mr. Chairman, if in fact there is one before us, may I say I had concluded my remarks. I think the advice of the hon. member for Provencher is correct. For my part I would as soon wait until we reach clause 7 before expecting the minister to respond, but cross-reference is involved here and my remarks could be made on this clause.

The Chairman: Order. Perhaps there was sufficient scope under clause 2 for the hon. member for Springfield to say what he has said. However, if it is agreeable to him and to the minister perhaps the minister will reply when we reach clause 7, clause 8, or clause 9, or if he prefers he may reply now.

Mr. Sauvé: I can either reply now or wait for clause 7.

Mr. Schreyer: Let us wait.

Mr. Sauvé: The hon. member wants me to wait until clause 7.

Clause agreed to.

• (5:30 p.m.)

On clause 3—*FRED established.*

Mr. Jorgenson: Mr. Chairman, I should like to speak on this clause dealing with the fund for rural economic development. I submit that on the point raised by the hon. member for Yukon the minister seemed to be not too clear whether the bill could be applied to the Yukon or the Northwest Territories. I think it was mentioned by the hon. member for Qu'Appelle when the bill was up for second reading, that ARDA and this legislation are subservient to the Canadian Council of Resource Ministers.

It is true that the Canadian Council of Resource Ministers is made up of members of the ten provincial governments and the federal government. However, the provincial governments are in no way subservient to the federal government in the Canadian Council of Resource Ministers but are equal partners. My understanding is that the federal government simply acts on behalf of the Yukon and the Northwest Territories in matters having to do with resources. If I am incorrect in that assumption I should like to be corrected. That was my understanding. For that reason I suggest that perhaps this bill does apply to the Northwest Territories and to the Yukon. Would the minister care to comment on that point?

Mr. Sauvé: The hon. member for Yukon said he probably would raise this problem when the bills under the name of the Minister of Northern Affairs and National Resources are discussed. He wished to discuss the question whether the Yukon and the Northwest Territories can be considered as provinces for the purposes of certain programs under the fund for rural economic development. Under this bill and under ARDA it is clearly mentioned that the federal government deals with provinces. ARDA comes under this bill. Clauses 4(1)(a) and 4(1)(b) of this bill limit programs to the provinces.

Mr. Barnett: I have to admit I was not in the house when the hon. member for Yukon raised this question. What has puzzled me about the answer just given by the minister, who has pointed out that specific reference is made to provinces, is that he omitted saying, "provinces and/or territories." Were he able to say that, it would in my submission clear the way for him to negotiate with his colleague, the Minister of Northern Affairs and National Resources, and with the territorial governments of the Yukon and the Northwest Territories.

Mr. Sauvé: In principle we do not need legislation for two departments of the federal government in order to cope with certain problems in the Yukon or in the Northwest Territories. There will of course be discussion between the Department of Northern Affairs and National Resources and the Yukon and Northwest Territories which are interested in the implementation of the principles of this bill. It is not impossible under this legislation for the Department of Northern Affairs and National Resources to provide for special programs which could apply either to the Northwest Territories or to the Yukon.

Mr. Baldwin: Mr. Chairman, if the minister is so wildly enthusiastic about the suggestion which has been raised, I suggest that hon. members would probably give unanimous consent to the committee reverting to clause 2 so that the minister could add as paragraph (d) an amendment to the effect that "province includes the Yukon and the Northwest Territories." That would be a simple way of dealing with the problem. I am sure the committee would consent to that.

Mr. Sauvé: I am not going to do this because I think it involves an extension of the word "province" to include something far beyond what it is intended to undertake under Bill C-151. I do not think that I can accept that kind of amendment. It would raise difficult constitutional problems.

Mr. Baldwin: I was merely trying to be helpful.

Mr. Orange: I appreciate the comments which have come from the other side of the house. May I say that I agree with some of the points which have been raised. I should

like to remind the Minister of Forestry that there are already certain federal acts in which the territories are conceded to be provinces for the purposes of those acts. I refer to the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act.

I should like to remind the minister, in speaking of the territories and their inclusion in this act, that many parts of Canada which are in need of further social and economic development are in much less need than the territories. I should also like to remind the minister that if any agreement is made it will not be made with the Minister of Northern Affairs and National Resources or with his department but with the territorial governments through their commissioners and councils. In pointing out these things to the minister I do so with the hope that he might consider extending the provisions of Bill C-151 to include both territories.

Clause agreed to.

On clause 4—*Agreements for comprehensive rural development programs authorized.*

Mr. Muir (Lisgar): May I ask the minister if under the agreement with the province of Manitoba the Interlake area is the only area designated under this program as of now?

Mr. Sauvé: Yes. This is a special designation under part VI of the federal-provincial rural development agreement. Covered in the Interlake region are the Indians of that area. they were covered in the discussions in the establishment of the agreement.

Mr. Muir (Lisgar): Has the province of Manitoba indicated that there may be other areas which it wishes to bring into this program?

Mr. Sauvé: Not to my knowledge, Mr. Chairman. A province proceeds first with one rural development area. It sees how that develops and, if it is successful, other areas are proposed. Difficulties stem from problems of staff, funds and so on. To my knowledge, in the province of Manitoba only the Interlake region has been proposed to come under part VI and under the fund for rural economic redevelopment.

[*Translation*]

Mr. Caouette: Mr. Chairman, could the minister tell us whether in the case of an agreement entered into with a province to develop a certain area, according to clause 4, the said province agrees to provide an amount equal to that provided by the federal government. Is that the term of the agreement?

Mr. Sauvé: No, Mr. Chairman, we sign a special agreement for what we call in English a special rural development area, to allow the federal government to contribute more than 50 per cent, if necessary.

According to the general agreement of ARDA, we cannot contribute more than 50 per cent. And one of the reasons why we create this fund of $50 million which, I hope is only a beginning, is that we will be able to enter into agreements with the provinces to contribute 100 per cent in some cases, and 90 per cent or 50 per cent in others.

We always sign a special agreement with the province in the case of a special rural development area. We provide for the method of financing for certain projects, the method of application by special organizations, provincial and federal departments.

[*English*]

Mr. Jorgenson: Under this section the minister, in reply to a question by the hon. member for Lisgar, stated that Manitoba would enter into an agreement with respect to the Interlake area. I wonder if I understood him correctly. When the bill was being debated on Tuesday he said, as found on page 4940 of *Hansard*:

> Provinces in the process of developing plans for application of the fund include Nova Scotia, Prince Edward Island, Newfoundland, Alberta and Saskatchewan.

We understand that Manitoba also is developing plans now under this legislation.

• (5:40 p.m.)

I would be in agreement with the idea of establishing special area projects rather than attempting to apply this legislation to all the areas which need assistance. I say this because of the unhappy experience we are having with the area development program under the Department of Industry. I do not wish to become involved in a discussion of this subject. I merely say that although beneficial to certain areas this program is working to the detriment of other areas because it has become more difficult for them to establish new industries and do the job which community development corporations would like to do. Under a program of special projects it is possible to study these projects and to make changes in them in the light of

experience. This seems a better way to proceed in the attempt to resolve the problem of poverty in many of our rural areas.

The Minister has indicated he will be coming back to the house for additional funds after the $50 millions has been spent. This will give us an opportunity to take a long look at the results achieved.

Mr. Sauvé: In reply to the hon. member I should like to point out that in my earlier remarks I mentioned three special areas, Interlake, northern New Brunswick and eastern Quebec. At the end I mentioned other provinces. Interlake and Manitoba are included.

Mr. Schreyer: I believe we are on clause 4. At this stage I should like to put another question to the minister on a point which I believe is causing some confusion. I take it that at the same time as the rural development program in the Interlake region, for example, is being entered into there will be other projects carried out in the province. So we shall see all these being carried out under the auspices of the special fund while others are being carried out at the same time under the auspices of the original ARDA fund.

I took the time to read through *Hansard* of the provincial legislature of Manitoba and I find that some confusion arises as to the eligibility of certain recreational projects carried out under ARDA. If the minister considers this to be relevant to the discussion of the present bill I would appreciate some comment on this point. Is he having any difficulties with the provinces?

Mr. Sauvé: In Manitoba, apart from Interlake, more than 50 special projects have been carried on. In fact, of the total amount devoted to ARDA by the federal and provincial governments less than 10 per cent has been devoted to Interlake so far. We have many other projects under way. Even while the Interlake rural development program is being devised, progress is being made with some special projects in the region. There has been much discussion in connection with parks but this matter is covered by another part of the agreement which renders projects possible under an alternative land use program.

Mr. Barnett: I should like to ask the Minister a few questions particularly in respect of paragraph (b) of clause 4(1) which says that the Minister may enter into an agreement to provide for—

> —the payment to the province of contributions in respect of the cost of a comprehensive rural development program in a special rural development area undertaken by the government of the province or any agency thereof.

My question arises out of my interest in the development program announced not long ago by the Minister of Northern Affairs and National Resources in his capacity as Superintendent General of Indian Affairs. That program is to involve the expenditure of some $112 million in the next five years on what I understand to be a related kind of activity. This brings us to the question just asked by the hon. member for Springfield about co-ordination. When this act is in force, could there be the necessary degree of co-ordination between the projects it envisages and those to be carried out under the program announced by the Superintendent General of Indian Affairs?

With regard to the phrasing of subclause 3 I would ask: Can this be a two-way street? Can the minister of northern affairs expect assistance from the Minister of Forestry should he see the possibility of stretching the $112 million a bit farther? I admit that such a sum appears to be a lot of money but, of course, it has to be spread over areas occupied by Indians across the whole of Canada, as well as over a period of five years, so it really is not as large as it sounds.

The Chairman: Order. As the business of the house includes royal assent, shall I report progress and request leave to sit again later this day?

Some hon. Members: Agreed.

Progress reported.

• (5:50 p.m.)

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

> Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

• (6:00 p.m.)

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased

to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Bills of Exchange Act.

An act to amend the Export and Import Permits Act.

An act respecting the construction of a line of railway in the province of Ontario by Canadian National Railway Company from the vicinity of Amesdale on the Redditt subdivision of the Canadian National Railway in a north-northwesterly direction for a distance of approximately 68 miles to a point in the vicinity of Bruce Lake, in the district of Kenora.

An act to amend the Agricultural Rehabilitation and Development Act.

An act to implement an agreement between Canada and the United Kingdom for the avoidance of double taxation with respect to taxes on certain classes of income and to implement a supplementary income tax agreement between Canada and Sweden.

An act to provide for the development of the commercial fisheries of Canada.

An act to amend the Farm Credit Act.

An act to amend the Aeronautics Act.

An act respecting United Grain Growers Limited.

An act to provide for the establishment of a Science Council of Canada.

An act to amend the Bretton Woods Agreements Act.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Speaker: Order, please. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Skeena (Mr. Howard), grain—Prince Rupert, B.C.—increase in elevator capacity; the hon. member for Lotbinière (Mr. Choquette), National Census—appointment of commissioners in the province of Quebec; the hon. member for Macleod (Mr. Kindt), Royal Canadian Mounted Police—possible removal of word "Mounted" from title.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions for papers, private bills and public bills.

MOTIONS FOR PAPERS

MR. JUSTICE LANDREVILLE

The house resumed, from Thursday, February 17, consideration of the motion of Mr. Bell (Carleton):

That an order of the house do issue for a copy of all reports, briefs or other documents or communications received by the Minister of Justice, the Solicitor General or the Department of Justice from the Law Society of Upper Canada relating to Mr. Justice Leo Landreville; all replies made to any such reports, briefs or other documents or communications; all letters or other communications addressed by the Minister of Justice, the Solicitor General or any officer of the Department of Justice, since the 1st day of January 1964 to Mr. Justice Leo Landreville; all replies made by Mr. Justice Leo Landreville or by any solicitor or agent on his behalf, to any such letters or other communications.

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

Mr. Bell (Carleton): Mr. Speaker, is the minister going to make any further statement?

Mr. H. E. Stafford (Elgin): Mr. Speaker, the hon. member for Carleton (Mr. Bell) has a motion on the order paper that an order of the house do issue for a copy of all reports, briefs or other documents or communications regarding this matter. I wish to say that the matter is now before Mr. Justice Rand who is acting as a commissioner under the Inquiries Act and has this matter under consideration.

Neither the hon. member for Carleton nor anyone else speaking on behalf of this motion has shown that such a brief has any legal significance. The Law Society Act, Revised Statutes of Ontario, 1906, sets out very clearly the powers of that society, particularly in sections 44 to 48. They are to the effect that in any hearing of this kind witnesses shall be subpoenaed and evidence shall be taken. In section 4 the members of the Law Society of Upper Canada are set out, and justices of the Supreme Court of Ontario are not included. Section 3 of the Law Society Act states that judges of the Supreme Court are visitors to the society.

For these reasons, Mr. Speaker, in my submission the brief made by the Law Society of Upper Canada cannot be held significant as such and can only be dealt with as a recommendation and nothing more. Such a brief could only be based on hearsay, as we understand it. There is no evidence before us that witnesses were properly called or that Mr. Justice Landreville was afforded the opportunity of giving evidence on his own behalf.

I have just been down to the library and looked up the citation of a case regarding a former member of the Law Society of Upper Canada, namely, Samuel Max Mehr. This case is reported in 1955 Supreme Court Reports, at page 344. The appellant was a member of the law society and was disbarred

by the disciplinary committee for conduct unbecoming a barrister and solicitor. This case was tried by Mr. Justice McRuer. It was appealed to the Supreme Court of Ontario and then to the Supreme Court of Canada. It was clearly pointed out in the judgment of the Supreme Court of Canada that the plaintiff must have an opportunity of calling witnesses and defending himself.

Disciplinary powers possessed and exercised by the Law Society of Upper Canada formerly belonged to the courts alone. At the present time the law society has only the powers given to it by the statute I have just mentioned, the Law Society Act. Its powers are very carefully set out in those sections to which I referred.

At the most, any such brief sent to the minister of justice is only a recommendation by the Law Society of Upper Canada. It has no legal status. Its only effect in this house would be to damage the reputation of the judge. The course of action taken in this matter by the Law Society of Upper Canada is most unfortunate. Such a report, I submit, should not have been sent to the Minister of Justice, (Mr. Cardin), and for these reasons I ask hon. members to vote against the motion.

• (6:10 p.m.)

Mr. Bell (Carleton): Mr. Speaker, might I ask the hon. gentleman a question? Is it the theory of the hon. gentleman that only those documents which can be found to be objectively true should be produced in this house? Is there to be some test by the executive of the validity of a document before it is subject to production in parliament?

Mr. Stafford: No, I did not say that. But I do say that in this particular case there is nothing of any significance that makes this brief of such importance—

Mr. Bell (Carleton): How does the hon. gentleman know? He has not seen it.

Mr. Stafford: —or of no more importance than any other piece of correspondence sent to a minister. The brief itself has no legal status, and I would think that the hon. member for Carleton could at least wait until Mr. Justice Rand has made his decision and submitted his report.

Mr. D. S. Macdonald (Rosedale): Mr. Speaker, I should like to say a few words on this motion both in my capacity as a member of parliament and as a member of the Law Society of Upper Canada. I would say, first, that this is not something which the hon. member for Carleton (Mr. Bell) has stumbled upon by accident. He knows very well all the rights, obligations and duties of the benchers of the Law Society of Upper Canada because he was himself a bencher, and perhaps is even now; I do not know.

Mr. Bell (Carleton): I am only concerned with our rights and privileges as members of parliament and the right to receive documents which are in the possession of a minister.

Mr. Macdonald (Rosedale): That may well be the case; but the hon. member knows very well the proper functions and duties of benchers of the Law Society of Upper Canada.

Mr. Bell (Carleton): That has no significance.

Mr. Macdonald (Rosedale): The hon. member says that has no significance. I would suggest that the hon. member knows very well—and this is an opinion very strongly held by members of the profession across the province—that it was most irregular for the benchers, as they did, to assume the responsibility of attacking a particular judge.

The hon. member knows very well from his experience as a bencher that the law society was itself censured by the Supreme Court of Canada approximately a dozen years ago for its conduct of discipline committee proceeding and following a course of conduct which failed to give a fair opportunity to be heard, which failed to accord the principles of natural justice, to another member of the law society. As I say, Mr. Speaker, they were censured in this respect with regard to the procedure of the discipline committee.

What has occurred here is that a group of the benchers—and it is my understanding that it was by no means a unanimous decision—decided to pass judgment upon the conduct of a particular judge and, having incorporated their conclusions upon his conduct in a report, sent that report to the Minister of Justice (Mr. Cardin), at the same time announcing publicly, without making the report public, that they had censured the judge.

I would suggest that this was most extraordinary conduct on the part of the benchers of the Law Society of Upper Canada. We do not know—and perhaps the hon. member can enlighten the house in his five-minute rebuttal —to what extent Mr. Justice Landreville was given notice of the intended course of action

of the benchers. We do not know the extent of the evidence, so-called, which the benchers of the Law Society of Upper Canada received on this particular question before passing judgment. We do not know whether Mr. Justice Landreville was represented at the hearing before the benchers so that the charges against him could be fully examined and arguments could be made on his behalf to the assembled body of the benchers before they arrived at their conclusion.

I suggest that what has occurred here in regard to the conduct of a judge is something that the Supreme Court of Canada said a dozen years ago the law society could not do in respect of an ordinary member of the society. The Supreme Court of Canada said that the law society could not act prejudicially in respect of one of its own members without observing all the requirements of natural justice. The hon. member knows as well as I that statements very prejudicial to the judge are included in this report.

Mr. Bell (Carleton): I have no idea.

Mr. Macdonald (Rosedale): I am suggesting to him that the interests of justice, the interests of fairness to the judge, the interests of fairness to the bench generally, could only be prejudiced by making public allegations which at this point have not been founded upon any fair, appropriate and judicial trying of the facts before arriving at a decision.

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

Mr. Macdonald (Rosedale): By all means.

Mr. Churchill: Would he make that statement in reference to the publication of similar reports which are founded only on allegation without any proof of their authenticity?

Mr. Macdonald (Rosedale): I am talking about the action of the benchers of my own law society.

Mr. Bell (Carleton): That is not the issue.

Mr. Macdonald (Rosedale): The hon. member will have an opportunity to speak for five minutes in rebuttal. Perhaps he would allow me the opportunity of speaking at this time.

Mr. Starr: You will not answer the question because you are putting forward a bad argument.

Mr. Macdonald (Rosedale): I cannot think of any member of the house who has less to add to this debate than the hon. member for Ontario (Mr. Starr).

Mr. Starr: You are getting nasty now.

Mr. Macdonald (Rosedale): The duties and obligations of the benchers of the Law Society of Upper Canada are well defined by statute, and it is quite clear that it is not within their proper purview to pass comment on the actions of a particular judge. It has also been determined that it is not proper for them to pass comment on the public or private conduct of an individual member of the society unless they have followed appropriate, quasi-judicial procedures as determined by the Supreme Court of Canada some dozen years ago.

Therefore I say it would be most prejudicial to the judge and most prejudicial to justice if a document such as this, founded upon no element of a proper, judicial trying of fact, was made public at this time. I give the hon. member credit for the fact that when he first introduced the motion no inquiry was under way. But since he introduced his motion the matter has been put before a judicial inquiry. In this way the matter can be tried with due opportunity for witnesses to be heard in the proper fashion, with the opportunity for those involved in this matter to be represented by counsel who are in a position to intervene on their behalf.

I would suggest that because Mr. Justice Rand is now considering the question and because Mr. Justice Rand is no doubt considering the document in respect of which we are now carrying on this debate, it would be appropriate for the hon. member as a former bencher, as a member of the Law Society of Upper Canada and as a member of this house, to withdraw the motion and acknowledge that the initial purpose—of course, I cannot ascribe motives to the hon. member —behind his making the motion has now been met by holding an inquiry under the Inquiries Act by a distinguished former member of the Supreme Court of Canada. I hope the hon. member will withdraw the motion and that it will not be necessary for the house to divide on it.

If the hon. member will not withdraw his motion I would say to hon. members that it would be a most serious mistake if an attack of this kind on a judge were made public. This, as we know, has been a relatively novel situation, and happily so, with respect to the judiciary of Canada. I think it would be a most grievous mistake if we were to create a precedent in this house by way of a vote

requiring that documents of this kind, and other documents of this nature which may from time to time be received by the government with respect to individual judges, should be produced in the house.

We have in the house a well-defined set of rules stating that there should be no reflection in debate, question or other proceedings of the house on the conduct or character of a judge. The proper course of action, as the hon. member knows, is by way of a substantive motion, not a motion for the production of papers but a substantive motion relating to the conduct of the judge. I think this is an important and salutory rule and I hope it will be adhered to by the house. Therefore I hope that hon. members, after full consideration of this question, will decide to reject the hon. member's motion and vote against it.

• (6:20 p.m.)

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

Some hon. Members: Question.

Mr. Deputy Speaker: If there are no other speakers on this motion, pursuant to section 2 of Standing Order 47 the minister has the right to speak for five minutes and the mover of the motion then has the right to speak for another five minutes.

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, I do not think there is anything useful I can add to what I stated on February 3 last. I felt and I still feel that the proper procedure to be carried out in this respect was the setting up of a judicial inquiry and that it would not serve anybody's purpose or advantage to have the documents tabled which are requested by the hon. member for Carleton (Mr. Bell). I feel that the procedure which has been taken was not only in the interests of the house but also in the interests of safeguarding the judiciary from being subject to debate in the house except on a substantive motion. I would hope, Mr. Speaker, since Mr. Justice Rand has not yet brought in his report and since he is seized of the problem, that the hon. member for Carleton might consider withdrawing his motion.

Hon. R. A. Bell (Carleton): Mr. Speaker, tonight we have heard some of the most extraordinary expressions of opinion I have ever heard in the House of Commons. Apparently the test whether or not this house is entitled to documents is the truth or falsity of those documents. I say to you, sir, that this house is entitled to documents which are in the possession of the ministry and the question of their truth or falsity or what value they may have is of no significance whatever.

[Mr. Macdonald (Rosedale).]

The hon. member for Rosedale (Mr. Macdonald) has sought to make the test whether the Law Society of Upper Canada has conducted itself properly. I care not at all. The Law Society of Upper Canada is a body which has presented a document to the Minister of Justice and it has presented that document without any privilege or confidence or secrecy attached to it. When that is done by any person or by any organization I say it is subject to production in this house, and when any hon. member argues that it is not he is doing a grave disservice to the whole cause of parliamentary government.

When debate on this motion was adjourned on February 17, I was filled with enthusiasm for its early resumption so that I might meet the sophistries and non sequiturs uttered in opposition to it. Nearly three months have elapsed since that time and the royal commission headed by Hon. Ivan C. Rand has now held its hearings and concluded them. The documents sought by this motion are public and have been argued about in public by counsel for the parties before the commission. Yet parliament is to be denied what has been argued about before a royal commission. Mr. John Robinette, counsel for Mr. Justice Landreville has argued very vehemently on the basis of these documents. The commissioner is meditating upon his report which we expect momentarily. The presentation of the evidence before the commission, including the arguments which have been expressed, makes ludicrous the suggestion that this house is to be denied that which has been produced before the public.

There are still some principles at stake in this matter. There is some importance in mentioning the timing of this motion. It was sent to the house officials for inclusion on the order paper prior to the announcement of the royal commission by the Minister of Justice. My submission is that this house cannot and must not be deprived of its right to papers, admittedly public documents, admittedly not secret or confidential, admittedly under no cloak of privilege which has ever been asserted in the history of parliament, and deprived of them solely by the executive act of the government in appointing a royal commission. I say to you that no minister of justice and no government should be permitted to wrap a cloak of secrecy around public matters just because a royal commission has been appointed.

If a precedent is set in this case we have established for all time a convenient vehicle whereby a hard-pressed government may escape its accountability to this chamber. All it needs to do is to appoint a royal commission and then hide behind the judicial cloak. This was the very argument presented by the hon. member for Greenwood (Mr. Brewin) who made the most dangerous speech in this debate. His sophistry was soon exposed when later in another matter he protested with utter inconsistency about his own right to discuss a matter before another royal commission being abridged. I mention this only to say that I want it on the record for anyone who reads this debate in the future that the hon. member for Greenwood has enunciated principles and theories which attack the very root of the sovereignty of parliament.

The principal argument, Mr. Speaker, has been that the release of these documents would prejudice a fair hearing for Mr. Justice Landreville. That hearing is now over; these documents are now public. Mr. Justice Landreville's counsel, Mr. Robinette, has dealt in detail publicly with these documents and has attacked the Law Society of Upper Canada in bitter terms, the very law society over which he formerly presided. How can there now be any prejudice to Mr. Justice Landreville or to a fair hearing for him? Mr. Justice Rand knows all about these documents. Only the House of Commons, the highest court of all, is to be deprived by the arbitrary action of the Minister of Justice of seeing these documents.

Mr. Brewin: May I ask the hon. member a question?

Mr. Bell (Carleton): I have only five minutes.

Mr. Brewin: But you are casting aspersions.

Mr. Bell (Carleton): All last autumn, the Minister of Justice and the law society played footsie-footsie with this issue; they adopted an "after you, my dear Alphonse" attitude. The minister invited the law society to release the documents. When he did so, did the minister worry about possible prejudice to Mr. Justice Landreville? Oh no, not at all. He saw no harm if the law society released the documents. When he publicly announced that he had asked Mr. Justice Landreville to resign, was he concerned about a fair hearing?

Mr. Deputy Speaker: Order, please. The time allotted to the hon. member has expired. Under the terms of Standing Order 47 it is now the duty of the Chair to put the question.

Mr. Stewart: Mr. Speaker, might the hon. member have unanimous consent for additional time to continue?

Mr. Deputy Speaker: Does the house give unanimous consent to the hon. member for Carleton to continue?

Mr. Howard: After ten o'clock.

Mr. Deputy Speaker: May I ask again if there is unanimous consent for the hon. member to continue?

Some hon. Members: No.

• (6:30 p.m.)

Mr. Deputy Speaker: There is no unanimous consent. Is the house ready for the question?

Some hon. Members: Question.

Motion (Mr. Bell Carleton) negatived.

NORRIS COMMISSION

The house resumed from Thursday, March 31, consideration of the motion of Mr. Orlikow:

That an order of the house do issue for copies of all the working papers prepared for the Norris commission by the chartered accountants hired by the commission and deposited by Mr. Justice Norris with the Department of Labour.

Mr. Frank Howard (Skeena): Mr. Speaker, over the years, and especially since the establishment of the maritime trustees which arose out of the report of Mr. Justice Norris, a number of statements have been made from within the privileged walls of parliament which have carried with them the implication that there was a great deal of wrongdoing yet to be uncovered, that there were in fact criminal actions which had taken place which Mr. Justice Norris had not uncovered, and that because of those criminal actions certain members and officers of one of the unions under trusteeship should be arraigned in court and accordingly charged with certain contraventions of the Criminal Code.

I think that approval of the motion before the house asking for the working papers prepared for the royal commission under Mr. Justice Norris by chartered accountants would help clear the air in so far as the innuendo behind the statements to which I have referred is concerned. It is very easy for a member of parliament who may have some

particular gripe about some element of society, or who may have a particular dislike for a certain group, organization or person, to take advantage of his privileged position in parliament to make untrue and slanderous statements about whatever organization, group or individual he wishes to smear.

I submit that this has been the case with respect to the Seafarers International Union. On the face of it, if it is correct that criminal activities have been engaged in by officers or members of that organization, then the responsibility falls on the law enforcement officers of the Crown to lay charges. To date, so far as I know, no charges have been laid against any of the officers of the Seafarers International Union in relation to criminal activities, with the exception of the action taken by the federal Department of Justice under a minister other than the present one relating to the march on Ottawa, and charges relating to contravention of the Canada Shipping Act, which is something unique in labour history.

However, that has nothing whatever to do with the misuse of funds, an allegation contained in one of the statements which was made. It has nothing whatever to do with the charge of theft, another allegation which has been made by certain people. It has nothing whatever to do with what we normally think of as criminal offences under the Criminal Code of Canada.

I submit that if the working papers prepared by the chartered accountants for Mr. Justice Norris and his commission were made public, we in this house would be able to see, first of all, whether there was any substance to the allegations or accusations that theft and other criminal activities have been engaged in; second, who were the people who might be responsible therefor and, third, why the Royal Canadian Mounted Police and the Department of Justice have so far taken no action in regard thereto.

I submit that the reason of the government for refusing to make public the working papers, which incidentally have been publicized in the newspapers, is merely to protect the position of the government which itself knows that there has been no wrongdoing. Because it has had the R.C.M.P.—

Mr. McIlraith: Order.

Mr. Howard: Order?

Mr. McIlraith: The hon. member has no right to impute motives, as he well knows.

[Mr. Howard.]

Mr. Howard: Mr. Speaker, any imputation of motives that I have to make is addressed to the government.

Mr. McIlraith: That does not make it any more in order.

Mr. Howard: If the minister feels that the hat fits, may I suggest that he pull it right down over his ears so that he will know exactly to whom I am directing my thoughts. The minister makes no comment in reply so I will say it again.

I suggest that the government is hiding behind the statement that these matters are confidential in order to protect its own position, knowing that there is no wrongdoing and that there has been no wrongdoing. It also knows that the R.C.M.P., which the government asked to investigate these matters, has come up with nothing. If it has, then why were charges not laid?

Mr. McIlraith: Mr. Speaker, I would point out to the hon. member that he has no right to impute motives to the government relating to a course of action it has taken.

Mr. Howard: Mr. Speaker, the Minister of Public Works (Mr. McIlraith) may state that I have no right to impute motives. That is his opinion. I exercise my right to impute motives to the government and I say that there are motives for doing this. This is not transgressing the rules. If the minister feels sensitive, I suggest he look a little more carefully at what some of his colleagues in the cabinet are doing or have been doing about this matter and what they are seeking to hide. If he did that perhaps he would not be so prone to jump and exhibit that eggshell sensitivity he and others have about this matter.

Be that as it may, I think the only fair thing parliament can do, having listened to the innuendo and accusation tossed around in regard to this matter, is to make public the working papers of the firm of chartered accountants who presumably went over these books with a fine-toothed comb. Knowing the way in which Mr. Justice Norris approached his work on the commission, they obviously acted with some relish in order to see what they could discover, not only because of Mr. Justice Norris but because of the terms of reference of his royal commission.

This, Mr. Speaker, is one way to clear the air. Let us see what the chartered accountants came up with. If they uncovered wrongdoing, let us see that it is dealt with properly. If they uncovered no wrongdoing, let the fact

be made public so that the smear and slander will cease.

• (6:40 p.m.)

The Acting Speaker (Mr. Rinfret): Is the house ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Rinfret): Is it the pleasure of the house to adopt the motion?

Mr. McIlraith: No.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): All those in favour of the motion will please say yea?

Some hon. Members: Yea.

The Acting Speaker (Mr. Rinfret): All those opposed will please say nay?

Some hon. Members: Nay.

The Acting Speaker (Mr. Rinfret): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Rinfret): Call in the members.

Mr. McIlraith: I believe the procedure is that no vote can be taken until eight o'clock.

The Acting Speaker (Mr. Rinfret): All those who object to the taking of the vote at this time will please rise.

And more than five members having risen:

The Acting Speaker (Mr. Rinfret): According to standing order 6(3), the taking of this vote is postponed until eight o'clock this day.

PRIVATE BILLS

THE PACIFIC COAST FIRE INSURANCE COMPANY

Mr. Auguste Choquette (for Mr. Basford) moved the second reading of Bill No. S-6, respecting The Pacific Coast Fire Insurance Company.

Mr. Howard: Is this motion properly before the house? I notice that the sponsor of the bill is not in the house.

The Acting Speaker (Mr. Rinfret): The hon. member for Lotbinière has moved the motion for the hon. member for Vancouver-Burrard.

Mr. Howard: Will the hon. member for Lotbinière indicate whether or not he has been expressly requested to do this by the hon. member for Vancouver-Burrard?

Mr. Choquette: It is the normal understanding; I think my good friend should know that.

Mr. Howard: Surely the co-sponsor of the bill is going to explain what is involved in this particular bill.

Mr. Choquette: I will just wait and refute the objections you are going to raise.

Mr. Frank Howard (Skeena): I did not hear the comment. If the hon. member for Lotbinière, as a result of lack of knowledge of what is involved here, is declining to represent properly the hon. member for Vancouver-Burrard, that is, of course, something that is on his conscience and not on mine. The purpose of the bill, if I must substitute for the hon. member and explain what is involved here for the benefit of the house and the hon. member for Lotbinière, is to change the name of the company to a different name, both in English and in French, and also to change the capitalization of the company and increase the capital stock from the original $1 million to $2 million or an increase of 100 per cent. The change in the capitalization of the company is something with which we should be concerned. I think the house should be thankful for the remarks made the other day by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron), who outlined the concept that with the proliferation of insurance companies and the number of insurance companies who were requesting an increase in capital structure, we would find that the demands and pressures of these companies would extract from our economy moneys which we might otherwise be able to use to better advantage for the advancement of the economy of Canada. In this way these companies are really acting to the detriment of the hopes which the Minister of Finance (Mr. Sharp) and ministers of finance who preceded him have expressed from time to time.

At one stage this company had a capitalization of $1 million divided into shares of $100 value each. They found that it was necessary to engage in a stock splitting process in 1920 whereby the stock was split on the basis of 20 for 1. In other words, for every share worth $100 the holder thereof came into possession of 20 shares at $5 each. This story has been repeated time and time again by companies such as this one which have come before

parliament asking us to do this favour and give to them a preferred position in our economy. They have asked parliament to endorse an alteration in the capital structure to permit them to engage even more directly in exploiting the people of this nation by heavy sales pressure upon the people to take out insurance policies.

I do not want to get involved in the types of insurance policies which this company may have sold up until now or that it may sell in the future. However, with respect to this company, and I am only singling it out because it happens to be the one before us, there is something with which I think parliament should concern itself more seriously than has been the case in the past. I think it is appropriate and coincidental that the hon. member for Vancouver-Burrard, the sponsor of this bill, sponsored a public bill some weeks ago which contained a principle I believe should be incorporated in this bill.

• (6:50 p.m.)

The house will remember that when the hockey franchises were being bartered about the city of Vancouver was interested in entering a hockey club in the new international league and the franchise was given to some relatively unknown place in the United States. The hon. member for Vancouver-Burrard, feeling as keenly as he does about conspiracies in restraint of trade, introduced a bill in the House of Commons—I do not know its number offhand—which sought to bring within the purview of the Combines Investigation Act the National Hockey League, or whatever its proper name is, so that that body would be liable for prosecution for conspiracy in restraint of so-called trade under the Combines Investigation Act, although the league is engaged in a service. The Combines Investigation Act deals only with material goods and commodities and excludes services from its sanctions and prohibitions.

I wish that the hon. member for Vancouver-Burrard would have been as assiduous in concerning himself with the conspiracies that probably take place between insurance companies in establishing uniform charges for the types of insurance they sell, uniform increases in rates, and in providing similar—and I use these words advisedly and loosely—levels of benefits. This is something with which parliament should be concerned. I think we must make a start in this direction by selecting Pacific Coast Fire Insurance Company because it happens to be before us. When we get to the committee stage of the bill we must ask that there be included within the law relating to Pacific Coast Fire Insurance Company a section which states that this company shall be bound by the provisions of the Combines Investigation Act just as if this company were dealing in a commodity and therefore liable to sanctions under that act.

I submit that there is no difference in the eyes of the purchaser of insurance in regard to a conspiracy between insurance companies to set a common level of rates, to establish common price increases and to establish a common level of benefits. The situation is the same as that of the E. B. Eddy Company which I understand has been convicted three times for criminal actions under the Combines Investigation Act. In one case the conviction had to do with matches, in another it had to do with pulpwood, and in the third case it had to do with a conspiracy to fix prices with respect to paper products.

It does not matter much to the individual how the conspiracy takes place. In the final analysis, companies have conspired together to milk the consumer of his hard-earned income. There has not been that theoretical element of competition which is supposed to exist in our economy.

Insurance companies, because of the type of business they carry on, are exempted from the provisions of the Combines Investigation Act. They are permitted to engage with impunity in conspiratorial tactics, one with another. But a seller of wire fences such as the Steel Company of Canada is not permitted to conspire with other companies to fix prices without being liable to prosecution and, if found guilty, to a fine and so on. It seems to me that is monumentally unfair, especially when we have in the development of our economy a steadily increasing part of it engaged in providing services for people. The providing of insurance falls within the providing of services.

So far the government probably has not given very much thought to this matter. My predecessor in this constituency, the late Ted Applewhaite, raised the question whether banking institutions could be prosecuted for fixing interest rates and the like. He was advised that because they provided a service they were exempted from the provisions of the Combines Investigation Act.

I submit that here we have a similar situation. A company has come to parliament

and has asked parliament to give it a licence to conspire. It has asked parliament to give it authority to fix prices in the field of insurance. Parliament week by week blandly agrees to permit these applications.

I submit it is about time that we sat down and seriously thought about the prospects of bringing companies such as the one now before us within the provisions of the Combines Investigation Act. I have wondered about the prospect of getting the answers to certain questions with which I and my colleagues are concerned, and which as yet have not been dealt with, when this bill reaches the committee stage. I hope that the hon. member for Lotbinière, who did not take the opportunity to explain the purposes of the bill, will do so. Perhaps that could also be done by the sponsor of the bill, the hon. member for Vancouver-Burrard, who is not here now.

It might be better if we were to delay second reading of this bill until its sponsor is available to deal with some of the matters which I have raised and with some of the points other members may want to raise. May I call it seven o'clock, Mr. Speaker.

The Acting Speaker (Mr. Rinfret): The hour allotted to private members' business having expired, the house will return to the consideration of the business interrupted at six o'clock.

RURAL DEVELOPMENT

PROVISION FOR ECONOMIC AND SOCIAL DEVELOPMENT OF SPECIAL AREAS

The house resumed consideration in committee of Bill No. C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): May I ask the Minister of Forestry a question respecting clause 4?

The Deputy Chairman: Order, please. When the house rose at six o'clock clause 4 of the said bill was being considered.

Mr. Barnett: Before the hon. member for Châteauguay-Huntingdon-Laprairie asks his question, might I ask the minister whether he has considered the question I had raised just before we rose for a trip to the other place?

Mr. Sauvé: The hon. member for Comox-Alberni raised the problem of what programs could be initiated by the Department of Northern Affairs and National Resources for Indians and how these could be supported by the ARDA fund, the fund for rural economic development or for other ARDA programs. May I say that in the bill now before us clause 7 mentions an advisory board. Assistant or deputy ministers may review the various projects submitted by the provincial governments after an agreement has been drafted by the ARDA administration of the Department of Forestry.

• (7:00 p.m.)

Under this special rural development program which embodies all the details of our rural development projects, if there are projects for Indians they could be financed either by the department of northern affairs from its budget or from the fund for rural economic development, or from other parts of the ARDA agreement. Co-ordination will be at the federal level. It would be done by the advisory board.

Under the new ARDA agreement, paragraph 11, the ARDA program now applies to Indians. Under the first agreement we could not apply this program to Indians, but now it is possible.

Mr. Barnett: Is it the minister's understanding that one of the ten senior officials referred to in clause 7 will likely be somebody in the Indian affairs branch of the Department of Northern Affairs?

Mr. Sauvé: That is my understanding.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Can the minister tell the committee whether any understanding or accord has been reached between the province of Quebec and his department on the application of this measure to Indian reserves located in Quebec?

Mr. Sauvé: The province of Quebec has so far established an eastern Quebec development board region. The development plan is supposed to be ready at the end of June. If they are interested, they will make a proposal to us for the drafting of a special rural development agreement. In the Gaspé region, the Indians are included.

As I said in answer to the hon. member for Comox-Alberni, Indians are covered or may be covered under article 11 of the new ARDA agreement, if provinces so wish.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Has Quebec indicated any such desire?

Mr. Sauvé: So far there is no proposal which could be covered under Bill C-151, but under the general ARDA agreement there has been some discussion and I think one of these proposals have been accepted for certain regions in Quebec where there are Indians.

Clause agreed to.

On clause 5—*Comprehensive rural development program and special rural development area defined.*

Mr. Thomas (Middlesex East): I should like to have it clearly stated in this legislation that Indian reserves are covered by the bill. I have noted the minister's comments to the effect that in certain ARDA agreements signed between the federal government and the provinces Indian reserves have been included. Very well, if Indian reserves can be included, no harm will be done by spelling this out in the legislation. I therefore wish to move:

That clause 5 (b) be amended by inserting the words "or Indian reserve" after the word "area" in line 39 of page two thereof.

Mr. Sauvé: I do not think it is necessary for this amendment to be moved. I say this because in the present bill we are talking about areas, not about people. Rather, we are talking about people living in certain rural areas where there is a concentration of low income families. I do not think it is necessary to make a distinction between the Indian and the non-Indian population of such areas. I have already mentioned that in the Interlake special rural development programs the Indian population is covered.

An hon. Member: Not everywhere.

Mr. Sauvé: No, but they are covered in the Interlake region. There are other areas where sections of the Indian population would come within the scope of this program. As I said, the ARDA agreement has been modified so that a province may apply the program to Indian lands and Indian people.

I feel that by accepting this amendment we would, in a way, be appearing to make Indians a different group of people. In fact we are trying to consider the population of a rural area without making any such distinction. I think the amendment would add nothing. The hon. member can rest assured that among the problems we have in mind in certain rural areas are precisely those of certain areas where there are many Indian reserves—Saskatchewan, Manitoba, Alberta—

[Mr. Watson (Châteauguay-Huntingdon-Laprairie).]

Mr. Nielsen: And the Northwest Territories and the Yukon.

Mr. Sauvé: I do not think this amendment is the answer. We are trying to define an area rather than a group of people.

Mr. Thomas (Middlesex West): I thank the minister for his comments and explanation. In supporting the amendment may I point out that paragraph (b) seeks to define a rural development area and it says:

A special rural development area is a predominantly rural area—

My amendment seeks to add the words "or Indian reserve".

—that is designated in an agreement between the province and the minister—

• (7:10 p.m.)

And so on. I am thinking of the Indian reserve in my own constituency of Middlesex West. It is a special area within its own right and there could be no possibility of considering the area surrounding the Caradoc reserve as a depressed area because it is composed of some of the finest land in the whole of Canada. The area itself is clearly defined. It is the Indian reserve, and because it is a special area, owned by the band under the Crown, it must be dealt with in a special way. I do not see how it could be included in the larger area for the purposes of this bill.

Therefore I think there is good reason to include the words "or Indian reserve," and then if the Ontario government sees fit to do so, it can include this reserve in any over-all program it may have for the province. But it would not fit into any program for the surrounding area.

The Indian reserve needs drainage. The agriculture of that area needs organizing. The Indians themselves do not have the funds to drain the land. But if it could be brought under this bill as a special area coming under the auspices of the Ontario Department of Agriculture, then the federal and provincial governments could both contribute so that the brush and weeds might be cleared off the land, thus making it a source of pride not only to the Indians themselves but to the whole area. Including the words "or Indian reserve" would clear up any confusion or misunderstanding.

Mr. Sauvé: I think that by adding the words "or Indian reserve" you would be restricting the meaning of "a predominantly rural area." Evidently the Indian reserve is a rural area and we do not want to make any

distinction. Evidently it is within a predominantly rural area. The programs which the hon. member has just mentioned are covered by other parts of the federal-provincial rural development agreement. They come under Part II, covering land usage, Part III rehabilitation, and Part V rural development areas. I do not think the hon. member would render any service to the Indians or to the reserves by putting them in a special class. They are already covered by the general agreement, which I feel is much better than trying to be specific.

Mr. Thomas (Middlesex West): On April 19 the minister issued a news release outlining the agreement which had been reached with the province of Ontario, stating that $1½ million was to be spent in the 11 eastern counties in a five-year drainage program. Is it possible under Bill C-151 to extend this sort of help to the Caradoc reserve in Middlesex county?

Mr. Sauvé: It is possible under the general federal-provincial rural agreement, paragraph 11 of which says:

> The province may apply ARDA programs to Indian lands and Indian people. In the event that Indians are involved in a program the federal government will negotiate special cost-sharing arrangements to the extent that Indians are involved.

Then there is part II covering land use and farm adjustment, Part III rehabilitation, and Part VIII soil and water conservation. All of these various programs that come under the general agreement would cover the specific case the hon. member has mentioned.

Mr. Nielsen: But it does not cover all Indians.

Mr. Sauvé: Well, you have the problem of the Yukon and the Northwest Territories which I have mentioned already, but the Indians in Ontario would be covered.

Mr. Herridge: Mr. Chairman, because of the amendment before us, the only way I can bring myself in order is to say I am speaking for an area where the last Indian died ten years ago. I agree with the minister. I quite understand the hon. member's good intention: He wants to make certain that the Indians in his constituency are covered. But by accepting this amendment we would actually restrict the agreement. I rather like the idea of dealing with areas, rather than people as such, under the agreement.

I am rising to focus attention on a particular area which has some particular problems. Clause 5 reads:

> For the purposes of this act,
>
> (a) a comprehensive rural development program is a program, consisting of several development projects, that is designed to promote the social and economic development of a special rural development area and to increase income and employment opportunities and raise living standards in the area, and that makes provision for participation by residents of the area in the carrying out of the program;

I cannot for a moment suggest that I represent a constituency which is economically depressed. I represent a very prosperous riding, which is prosperous because of the hard work, industry and intelligence of the inhabitants, but it has a certain problem.

At present the projects under the Columbia river treaty are being built under the direction of the B.C. Hydro and Power Authority, and many people are beginning to realize one of the major problems involved. The B.C. Hydro and Power Authority offers a property holder, be he a farmer, businessman or what have you, a set price for his property.

This set price does not include detailed items of the value of buildings, land, etc. It is a lump sum—

The Deputy Chairman: Order.

Mr. Herridge: I shall put myself in order immediately, Mr. Chairman.

The Deputy Chairman: I must inform members of the committee that we have not disposed of the amendment with reference to Indian reserves. Perhaps the hon. member for Kootenay West would reserve his remarks until later on when we return to clause 5 as such.

Mr. Alkenbrack: Is the amendment pertaining to clause 5?

The Deputy Chairman: To paragraph (b) of clause 5.

Mr. Stewart: Mr. Chairman, I wonder if the hon. member who proposed the amendment wishes to persist in it. I have the impression he has been assured by what has been said, so that the amendment is not necessary to accomplish the very good purposes he has in mind.

Mr. Thomas (Middlesex West): Certainly, Mr. Chairman, I do not wish to delay the work of the committee, and with the assurance of the minister—

Mr. Bell (Carleton): Positive and unequivocal.

Mr. Thomas (Middlesex West): —positive and unequivocal, as my colleague says, which I see the minister is assenting to by the motions of his head, I am quite prepared to withdraw the amendment on that understanding.

• (7:20 p.m.)

The Deputy Chairman: Does the committee give its unanimous consent to the hon. member for Middlesex West to withdraw his amendment?

Some hon. Members: Agreed.

Amendment (Mr. Thomas, Middlesex West) withdrawn.

Mr. Herridge: Mr. Chairman, I am sure we all appreciate the minister's explanation which resulted in the amendment's being withdrawn, allowing the hon. member for Kootenay West to continue his remarks.

The situation I refer to is rather unusual. It has created a very difficult problem for a good number of people, to such an extent that various members of all parties from the Arrow lakes region have joined together in support of the committee which presented its views to the minister in British Columbia and the B.C. Hydro and Power Authority. These members represent all the parties in this house, with the exception of the Creditistes, and that party does not exist out there.

The problem which has been created is of a general nature, and everyone who is in the know realizes that the expenditures necessary are far in excess of the money received by the government of British Columbia to build the dams I mentioned. The tendency is to be conservative in making compensation for properties involved. This compensation is far less than the replacement value of the lands lost. These people are not given enough money to clear an equivalent area because the tendency has been to restrict the amount of compensation to the actual cost of purchasing land. Consequently the amount of money spent for new works, replacement of fish and wildlife areas is limited.

At the very least there is a difficult problem in communities in the Arrow lakes region, and I refer particularly to the development of new communities. Certain individuals have accepted insufficient amounts of money, as compensation for the loss of ranches or other properties, to clear similar acreage under present cost conditions. Evaluations have been very low as compared to this clearing cost.

The B.C. Hydro and Power Authority has put up as much as $900 per acre for clearing replacement land in the Arrow lakes, Arrow river and Duncan lake areas. In spite of that fact, the suggestion has been made that the cost of clearing agricultural land which has been taken over is in the neighbourhood of $30 per acre. This is a most unusual circumstance.

Mr. Nielsen: It is a most unusual statistic.

Mr. Herridge: It is a most unusual statistic, but it is one quoted by the hon. member for Kootenay West, and you know his reputation.

In any event, there are certain small communities and districts which will have to face difficult problems. I bring this fact to the attention of the minister because there is a certain overlapping. Theoretically and sentimentally the people involved must look to the B.C. Hydro and Power Authority and the government of British Columbia for a solution, but I know very well there will be many unsolved problems.

Under these circumstances I hope the minister and his officials will discuss the situation with the government of British Columbia in an attempt to see whether, under certain circumstances, new communities can be established in new areas with assistance in clearing the land for farming and ranching. I trust the minister will comment in this regard because the problem has to be faced by quite a number of people who have spent many years of their lives developing the properties they have lost or will lose.

Mr. Sauvé: Mr. Chairman, certainly the officials of the department will meet with the officials of the government of British Columbia to examine the situation to see whether anything can be done under this act. In view of the definitions and the aims of this measure, perhaps the province of British Columbia can arrive at some special agreement whereby assistance can be provided through the ARDA administration.

[*Translation*]

Mr. Caouette: Mr. Chairman, section 5, (a), states:

> For the purposes of this Act, a comprehensive rural development program is a program, consisting of several development projects—

Perhaps the minister should give some region as an example, so as to see whether, say,

a tourist industry could be established. Is this provided for by the program, for example, in a region such as mine? If the province suggests to the minister or to the federal government an agricultural area with a considerable mineral potential where iron mines could be operated, will this law provide for help under those circumstances?

Mr. Sauvé: Yes, Mr. Chairman, that would be quite possible if the area has been designated as the bill requires and if the concerns to be developed are to income and employment and raise the standard of living in the area.

Indeed, in some regions, such as in the Lower St. Lawrence area and in Gaspé, if the provincial government follows the recommendations of the eastern Quebec development board, a program will comprise several projects concerning the tourist trade, agriculture, small businesses, forests, fisheries and probably mines. It is a comprehensive area development program. It can also cover fields such as housing and education.

[*English*]

Mr. Barnett: Mr. Chairman, I was pleased to hear the reply to the hon. member for Kootenay West because it indicated that the minister is prepared to give sympathetic consideration to the problems referred to by that hon. member. I should like to say a few words in support of the arguments advanced by him.

Undoubtedly the Minister of Forestry is aware, in a general way at least, that the development of the history of the Columbia river project for damming the Arrow lakes is the direct cause of the problems outlined by the hon. member for Kootenay West. I realize of course that the minister was not a member of the house during that period of history, and that the early stages of the treaty date back to the time of his predecessor.

Because of the participation of the federal authority in the agreement, and because of the international implications of the agreement, there is in my view directly or indirectly a moral if not a legal obligation on the part of the federal authority to give some consideration to the results of the implementation of this Columbia river treaty.

Coming from the province of British Columbia, and having had discussions with the hon. member for Kootenay West, I have some general knowledge of the approach adopted by the B.C. Hydro and Power Authority in this connection. In my view that attitude is a rather striking contrast to the position taken by the federal authority in relation to the people who were being displaced as a result of the St. Lawrence seaway development. Compensation in that regard was considered only adequate when it provided for the cost of relocation of whole communities.

For the reasons I have advanced I think there is real justification for the federal authority's being more than willing to enter into an agreement with provincial authorities under this act. I should add that I have heard the premier of the province of British Columbia complain rather vociferously that the federal government is always trying to draw funds from the province of British Columbia. I have made no bones about my own views in this regard. Some of the complaints he has voiced are unrealistic and unreasonable and completely inconsistent with any concept of a united Canada.

• (7:30 p.m.)

However, I think in this situation there is an opportunity under this bill for the province to look at the possibility of utilizing a proposal being developed by the government and parliament of Canada to do something which apparently through its agency, the B.C. Hydro and Power Authority, it has not been willing to do to the present at least.

Mr. Alkenbrack: Mr. Chairman, I wish to raise a matter under clause 5 that I think is of importance to the whole nation. I am surprised that there is no restraining clause in the bill, or no clause governing the amount that may be spent in each province. There should be a clause governing the per capita amount that may be spent in the provinces and territories, because we have two territories as well. I ask the minister this question: Does he not wish to have any safeguards limiting the amount that any province can absorb of the $50 million we are voting under this legislation? I would warn the minister that benefits could act discriminatorily, unfairly and in a one-sided manner and we should guard against this happening.

I am thinking of last year's farm machinery syndicates bill, as a result of which the residents of one western province obtained the lion's share of the money lent. We do not want a repetition of this situation as a result of this bill. We want ARDA to go into action across the whole of Canada in a fair and equitable way. We want all the provinces and territories to benefit, and not a few or just one province. There should be control in

regard to the per capita expenditure in a province, and there should be control exercised with regard to money federally expended in the provinces and territories. In this way the federal expenditure would be spread as fairly as possible across the whole dominion.

As one form of control I would suggest a per capita limit on federal expenditure in each of these, shall I say depressed areas, where federal money is to be expended. This control could also take the form of gauging the amount that should be spent equitably in the provinces and territories. I should like to hear the minister's comments in this regard.

Mr. Sauvé: Mr. Chairman, this problem was discussed thoroughly at the federal-provincial conference held in Montreal at the end of November, 1964. The proposals now before the house were discussed with the provinces, and it was agreed by them that there should be no allotment and no per capita limitation, on the basis that the general ARDA agreement contained certain restrictions with regard to how much money we could spend in each province or on each kind of project. As this was a special, federal effort to try to improve standards of living and employment conditions in certain areas of Canada in which there was a concentration of low income families, it was felt there should be no restriction at all, inasmuch as the fund could be replenished when all the $50 million had been committed.

The provinces unanimously accepted the point of view that it was the federal government's responsibility to really make an effort where it was needed. Three provinces—or, rather, two so far—are preparing projects that will be financed under Bill No. C-151. One of those provinces is Manitoba, for the Interlake region, and the other is New Brunswick. Everybody at the conference agreed that this was a fair principle if we were trying to eradicate poverty where it seemed to be concentrating. As the provinces thought this was an acceptable arrangement, I felt it was good for the whole of Canada.

Mr. Nielsen: You mentioned only two provinces.

Mr. Starr: Mr. Chairman, there is some inconsistency on the part of this government. It is not all embodied in this bill, of course.

Mr. Churchill: It is too short a bill.

[Mr. Alkenbrack.]

Mr. Starr: I refer to the allotment of $50 million under this bill to deal with certain depressed areas. Under the bill there is no per capita allotment to the provinces. We had this arrangement under the Technical and Vocational Training Assistance Act; yet when this government came into office they immediately changed the system and operated it on a per capita basis. If there is to be any consistency on the part of policies of the government, this measure should be put into effect in the same way as they changed the Technical and Vocational Training Assistance Act.

Mr. Nielsen: Which is the third province that has an agreement in this respect?

Mr. Sauvé: The only thing I know is that when we discussed this matter with the provinces they were agreeable to the system we have established. With regard to the Technical and Vocational Training Assistance Act, I do not know all the details of what happened with the provinces, but I know that in this case the provinces accepted this principle. Therefore as the federal minister I was satisfied to propose the same thing to this house.

Mr. Nielsen: Mr. Chairman, the minister mentioned Manitoba and New Brunswick as provinces which have plans under way. He said there were three provinces. Which is the other province?

Mr. Sauvé: In my introductory remarks I mentioned three provinces which have special areas for rural development. I also said there were areas in other provinces. More than three provinces are involved in this respect. I mentioned Alberta, Saskatchewan, Ontario, Manitoba, Nova Scotia, and there is also Newfoundland. I mentioned three areas with regard to which there had been a request for a development program, with respect to which studies are being carried out, but we do not yet have the results. One is the interlake region of Manitoba, the second is eastern Quebec and third in northern New Brunswick.

Mr. Stewart: Mr. Chairman, on the point that was just now before the committee, I think the view expressed by the minister in stating the position taken at the federal-provincial conference is, of course, the sound one in relation to this particular piece of legislation. The object of this legislation is to tackle the problems of rural people, and I hope we

will not put artificial fences around a program of this kind. However, that is not what I wanted to ask about at this time.

• (7:40 p.m.)

Earlier the hon. member for Villeneuve asked how far the minister and those working with him in connection with the expenditure of this fund could go in dealing with tourist development. The minister mentioned a moment ago that in the province of Nova Scotia a plan is being shaped up under the general ARDA agreement, and my constituency falls within the area to be covered by that plan. Under the general ARDA agreement a study is being made of the recreational and tourist possibilities of the entire county of Guysborough. What I want to know is, what is going to happen when this study is completed? I am convinced as to what the result of the study is going to be—it is going to conclude that this county has magnificent tourist potentialities. But where do we go from there? How far can the minister go in recommending programs for the development of these potentialities?

I am glad to see the Minister of Northern Affairs and National Resources here tonight, because it may very well be that if the Minister of Forestry cannot go all the way that the study indicates under this particular piece of legislation, the Minister of Northern Affairs and National Resources may have to activate himself and bring before this house new legislation to supplement the National Parks Act. I am wondering how far the Minister of Forestry conceives of this particular fund as meeting the development of park areas and recreational areas, somewhere in between the great national parks, on the one hand, and the comparatively small parks which are being developed under federal provincial co-operation under the existing ARDA regulations on the other.

Mr. Sauvé: If the proposal comes under section 6 of the ARDA agreement for a special rural development area, we can entertain practically all sorts of projects as long as they create employment and economic development. If it does not come under the special rural development area, then it comes under either Part V of the rural development area or Part III, rural rehabilitation, or Part II, land use and farm adjustment, and then you have specific projects. We have approved many projects of that nature since the innovation of ARDA in 1962.

Mr. Stewart: Mr. Chairman, there is one point on which I believe I know the answer, but I should like to have it in the minister's own clear words. This act again and again uses the word "rural". Am I correct in saying that the word "rural" will include seacoast areas where, of course, we have people living in precisely the same conditions as we would find in depressed agricultural areas in eastern Quebec, or in the Interlake area of Manitoba?

Mr. Sauvé: The answer is yes, that this is one of the purposes of the amendment we brought into legislation under Bill C-152.

Mr. Alkenbrack: Mr. Chairman, I must say that the explanation of the minister, as far as I am concerned, is very inadequate on the point I raised about the equitable spreading of this money across the country. The words of the minister were that the province had accepted this principle. What principle have they accepted? The sky-is-the-limit method of expenditure has very little principle attached to it. What I am suggesting to the minister is a per capita plan which would have some principle associated with it. I caution the minister that $50 million does not go very far. The physical geography of this country is such that this whole amount could be spent on two or three small localities. It is not good administration and it is not fair in any way; it is not fair morally or politically.

Mr. Sauvé: I will give you three examples. In the Interlake region there are 62,000 people, in northern New Brunswick there are 125,000 and in eastern Quebec there are about 325,000. We do not know yet what the program will be in the interlake area which will be submitted by the government of Manitoba. It may be a program which will involve the reorganization of certain farm land, and the relocation of a number of fishermen. There are 3,000 fishermen and there are possibilities for probably a few hundred. There will probably be road development, erection of school buildings, development of tourist areas, and so on. Then the province of Manitoba will propose to the federal ARDA administration a certain program and will probably say, "We are ready to pay so much of the cost". Then out of the $50 million, 80 per cent of the cost will be for one project, 75 per cent for another, and 50 per cent for the third. This will be the result of negotiations.

The principle which was accepted by the provinces was that, inasmuch as some of them were ready to go into the regional development concept and inasmuch as they have

already a great number of low income families in certain classified areas, it was justifiable for the government to place a special input on the money to help those regions improve their situation. This was not a good thing for Canada as a whole. It was expected then, as it is now confirmed, that the federal government would be able to add to the fund. We now have $50 million. When this amount is committed—it will be spent over a number of years—then we can designate an additional amount of money. This is part of the war on poverty. The provinces have accepted this principle as being equitable. There are certain areas of the country which more than others require assistance from the federal government. The provinces were satisfied with this arrangement.

Mr. Alkenbrack: Can the minister assure the house that the per capita amount, for example, expended in the Interlake region in Manitoba would be originally on a par with the per capita amount spent in those regions of Quebec or in New Brunswick?

Mr. Sauvé: It is hard for me to say yes or no because we do not know yet what will be the final proposals of the government and the province of Manitoba. When we draft this agreement for this region it may be on a per capita basis or the province may ask for a contribution of $5 million for 60,000 people. The province of Quebec may ask for five times that amount or $25 million, it all depends on what type of programs there will be. We have not yet established any principle with respect to an amount. We are not ready to accept a per capita basis because this will depend on the experience and results of the negotiations between the provinces and the federal government. We might arrive at this formula but it has not been devised and nobody has suggested that there should be such a formula.

Mr. Caouette: Mr. Chairman, is it true that these moneys are not going to be spent when there is no poverty? I believe there are no poor in Manitoba, so there is no question of a program under this legislation.

[*Translation*]

Mr. Sauvé: I think the hon. member for Villeneuve is not aware of what is going on in the interlake region, where 65,000 people are suffering great hardship. Living conditions of some Indians and half-breeds there are such as would not be tolerated anywhere else in Canada.

[Mr. Sauvé.]

• (7:50 p.m.)

[*English*]

Mr. Schreyer: I do not like the idea of advertising the extent of the poverty in the province of Manitoba. However, for the information of the hon. member for Villeneuve, I may say that the problem exists, particularly in certain areas. According to the statistics compiled by the province, the extent of the poverty in the Interlake region is rather high. A program is therefore being carried out in that part of the province, and will be welcomed I assume by almost everyone living there.

I rise at this time, Mr. Chairman, to say to the minister that while we really do not expect him to have any specific information as to how many development projects will be entered into in the Interlake region, while we do not expect him to have detailed information, I think we have a right to expect from him some approximation of the magnitude of the spending program in the Interlake region. A comprehensive rural development program may consist of 10 or 25 special projects, and I would not expect the minister to be able to tell us what some of these projects will cost because perhaps they are not even formulated as yet. It seems to me, however, the minister must have a good idea of the total cost of the program—the total cost of each of the three comprehensive rural development programs that are being undertaken under this legislation.

Mr. Sauvé: The one we have in northern New Brunswick which covers about 125,000 people will cost in the neighbourhood of $30 million. What the share of the federal government and the provincial government will be is being discussed now. However, this gives one an example of the magnitude of the programs.

Mr. Muir (Lisgar): Can the minister tell us if he envisages any co-operation between ARDA under his department, and ARDA under the Department of Industry, always taking into consideration the part the province would have in the two programs?

Mr. Sauvé: This is already happening. We have an advisory board. Actually, there have been some projects carried out under ARDA but financed by ARDA.

Mr. Forbes: I should like to direct one question to the minister. We have three designated areas in Manitoba. Would these

same areas be eligible for assistance under the ARDA program?

Mr. Sauvé: Were they designated under the ADA program or the ARDA program? I believe there is only one designated area under the ARDA program so far, and that is the Interlake region.

Clause agreed to.

Clause 6 agreed to.

On clause 7—*Establishment of advisory board.*

Mr. Dinsdale: I have a brief question on clause 7 with respect to the advisory board. The hon. member for Qu'Appelle raised this point during his excellent presentation at the second reading stage. Can the minister inform the house if there is any liaison between the advisory board and the resource ministers council through its permanent secretariat? I think it is most important, if we are going to have co-ordination of any comprehensive plans for resource development, that we not only have intergovernmental co-operation, that is co-operation between governments, but also intragovernmental co-operation. There are so many various departments at the federal level in the field of resource development, and the function of the resource ministers council was to achieve some overall co-ordination. Is there consultation?

Mr. Sauvé: As the hon. member knows, the secretariat has no administrative authority. What happens is that the secretariat is informed of the projects and programs that are carried out under ARDA. The ARDA program is reviewed annually by the committee of ministers. We submit to them everything we do. They have an annual report on what we are doing, and it is always on the agenda of the resource ministers conference. In this way some co-ordination can be maintained.

Mr. Schreyer: I believe that under clause 7 the minister was going to make some response to my question as to whether or not it was the practice that the people actually affected in these designated areas be given representation on these boards. If I might just clarify, Mr. Chairman, it is my understanding that in the special rural development areas there is an area development board to be established. I understand that the area development board will be comprised primarily of individuals from the government. I ask the minister if it will be a requirement or a practice under this legislation to have residents of the area itself as representatives on these boards?

Mr. Sauvé: Mr. Chairman, in answer to that question I will refer to paragraph 33 of the federal-provincial rural development agreement, part VI. I quote:

> A comprehensive rural development program involves the following:
>
> 2. The involvement of local people through the establishment of rural development committees or similar bodies.

It is a condition that in the implementation of this Bill No. C-151, there should be committees at the local level.

Mr. Stewart: Before the clause carries, I should like to ask the minister if the Atlantic Development Board will be represented on the advisory board?

Mr. Sauvé: Yes, Mr. Chairman.

Clause agreed to.

Clauses 8 to 10 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the bill be read a third time, now?

Mr. Starr: By leave, now.

Mr. Sauvé moved the third reading of the bill.

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

MOTIONS FOR PAPERS

NORRIS COMMISSION

Mr. Deputy Speaker: It being eight o'clock, it is my duty pursuant to section 3 of standing order 6 to suspend the proceedings now under way so that the house may revert to private members business for the taking of the vote which was postponed earlier this evening.

The question is as follows:

> That an order of the house do issue for copies of all the working papers prepared for the Norris commission by the chartered accountants hired by the commission and deposited by Mr. Justice Norris with the Department of Labour.

• (8:00 p.m.)

Mr. Knowles: Mr. Speaker, on a point of order, I believe that this is the first time this rule may have been called into play. May I

indicate that although we in this group during the supper hour asked for a recorded vote, we are willing that no such recorded vote be now taken. We should simply like to protect our position which we think obtains under the rules, that under that circumstance a vote could now be taken, if we so desired, even though five members were not here at the present moment. We do have more than five members here, but we are willing, if the house gives unanimous consent, simply to resolve this issue on a voice vote and not have the members called in by the bell.

Mr. Deputy Speaker: Order. Does the house give unanimous consent to have this issue resolved by a voice vote, rather than calling the members in and having a standing vote taken?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion (Mr. Orlikow) negatived, on division.

NORTHWEST TERRITORIES ACT

AMENDMENTS RESPECTING ELECTED MEMBERS, INDEMNITY, ETC.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources) moved the second reading of Bill No. C-146, to amend the Northwest Territories Act.

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

Mr. Nielsen: Surely, Mr. Speaker, the minister would like to make a statement on second reading.

Mr. Laing: Mr. Speaker, I do not think I will take a great deal of time in recounting again to the members of the house the very favourable economic conditions which are beginning to show themselves in the Northwest Territories, indeed in the entire north. However, I should like to put once more on record that this extremely vast area—I am now talking of the Northwest Territories alone—which comprises about 33 per cent of the land mass of Canada is beginning to demonstrate itself as an area of tremendous wealth. I am unhappy that more members of the House of Commons, indeed that all members of the House of Commons, have not had the opportunity of seeing the area, and in the year ahead I propose to endeavour to see that a representative group of members of the house do make this visit.

[Mr. Knowles.]

It is an extremely difficult, strange, challenging, yet beautiful area of Canada, particularly if you go there at the right time of the year. When I saw it first I came to the conclusion that if it had resources they lay underground, not on top. A great deal of the area has no vegetation of any kind on top of the rock or ice. However, we are now finding, probably in common with the Arctic area of the Soviet Union, that we have tremendous resources under the ground, resources of oil, gas, and minerals of various kinds. The challenge, of course, is that of distance and difficulty of communication, coupled with the fact that during seven months of the year adverse weather conditions and darkness contribute to a situation where most citizens would prefer to dwell in another part of Canada.

These are the drawbacks to this area, but we are now beginning to find that some of the deposits of metal being discovered are of such wealth that these difficulties can be overcome. This, however, inevitably leads to a spotty development. We have within the area settlements where the white man is there only because of the responsibilities he has to the indigenous people in matters of health. He is in other places only because of the responsibility we have in matters of defence with our allies. He is also to be found in the high Arctic islands, sometimes only to declare that they are part of Canada, that our sovereignty must be maintained.

The difficulty of communication between these points makes government within the territory very onerous indeed. We have substantially a western development along the Mackenzie which is growing very fast, particularly as a result of the extension of the Pine Point railway to Hay River. On the eastern side deliveries are made mostly out of Montreal by the high Arctic sea route. We are beginning to see that new methods of transport will be available in the future, largely by air. Indeed, we are finding that some of the goods taken in there now can be taken in competitively by larger aircraft, when costs are compared with river traffic and freight out of Montreal.

This places a very great burden upon the council of the Northwest Territories. So far it has resided, with a very small staff, substantially in Ottawa under a commissioner living in Ottawa. When I first went to the north I said that I would do my utmost to see that we get government in the territories as rapidly as we possibly can. At the moment we

have a beautiful little town called Fort Smith, which some of the people in the north now call the capital. It is about a mile and a half to two miles north of the Alberta border. Spring comes a little earlier there than in most parts of the Northwest Territories. Up until the present time there was no access at all to Fort Smith, except by air or by water down the Slave river. We are now building a highway to Pine Point, the famous mineral area, which highway incidentally will be completed this year.

The government which preceded the present one decided to build the railway on the west side of Alberta, and I am rather of the opinion that what has happened since has confirmed the wisdom of building it on that side. However, in view of the wealth of the area, particularly in tar sands, metals and that sort of thing, as well as in forest reserves, it would not surprise me if in the years immediately ahead another railway is built on the east side of Alberta going up toward Pine Point, and probably intersecting the Pine Point railway.

To return to the difficulties of the council, for a good many years pressures have been exerted by the relatively small number of people who live in the territories to improve and increase the amount of authority they need to run their own affairs. I think it is a very good sign that this demand is made, and it would be depressing if that drive were not present. That is one of the characteristics of the old Northwest Territories from which developed the provinces we have in Canada today. There is a ferment in the area at the present time, and it is a very healthy ferment. As a result of that, on May 11 last year I announced in the house that we were setting up a commission of inquiry to look into the future of government in the Northwest Territories.

• (8:10 p.m.)

That commission was comprised of Dean A. W. R. Carrothers, professor and dean of law at the University of Western Ontario, who was the chairman of the commission, Mr. John H. Parker, Mayor of Yellowknife, and Jean Beetz, professor of constitutional law, at the University of Montreal.

We found that we had appointed a remarkably competent group of men. They have been through the territories twice—in some places three times—and they have elected to go in the dead of winter, to see what it was like living in those communities in that season. They proceeded up there in February of this year.

I want to remind the house of the terms of reference we gave that commission. We asked them to pay special attention, first to the views of residents of the Northwest Territories, and to the views of other Canadians with northern experience. Second, we asked them to pay attention to the nature of the federal responsibility for the territories, and third, to look into the question of the consideration of the political development of the territories contingent on the size, nature and distribution of population, and its ability to pay a significant share of the costs involved having regard to the present and prospective level of social and economic development. Next, we asked them to study existing forms of government as defined by the Northwest Territories Act and the Department of Northern Affairs and National Resources Act, and to pay attention to previous proposals affecting constitutional structure.

I am certain, Mr. Speaker, bearing in mind that this commission of inquiry is going to bring in its report to us by September, and probably earlier, by August, it may surprise some hon. members that we are at this time introducing any amendments whatsoever to the Northwest Territories Act. We feel that we must, in one or two respects, move on in a manner that will not affect the full report which we expect to get. It should indicate where we can move next with respect to government, in that particular territory.

For a long time there had been repeated complaints in the house that some of those who lived in the Northwest Territories were denied the right to elect members to their territorial council. Indeed, this was so. Many of those persons had no opportunity to vote, principally because they lived in little, widely scattered settlements, and the territorial council, and indeed the government, thought it inconceivable to be able to provide them with ballots. It was that simple. I refer to areas such as the upper Arctic, the eastern Arctic and the Keewatin district which could not send representatives to the territorial council.

We think, and indeed the territorial council thinks that this should be changed. We have made a commitment that changes would be made, that there will be three additional seats. This will result in increasing the numbers of the territorial council from 9 to 12. It will also have the result of giving, for the

first time, the elected members of the territorial council a majority, as compared with those who are appointed.

Formerly we appointed five members, and we shall continue to appoint five from outside, under the amended act—

Mr. Nielsen: Will the minister permit a question?

Mr. Laing: Yes.

Mr. Nielsen: Will the minister explain to hon. members why the government feels it necessary to appoint any members, rather than having them all elected?

Mr. Laing: Yes, I should be very happy to explain. This is a personal opinion. The more we can attract the attention of southern Canadians to the resources and the possibilities of the Northwest Territories, the better for all of us, and indeed, the better for the territories especially. Over the years we have appointed individuals knowledgeable about the north. Some of them were old hands from the north, and some of them had been engaged in defence, as my hon. friend knows.

They were appointed to be the representatives of southern Canada and, indeed, to give their knowledge of northern Canada to southern Canadians. I think that if we continue to make appointments of commissioners or councillors from southern Canada of the calibre that we have in the past, it would be all to the good of Canadians living in southern Canada, and to the good of the residents of the territories.

We have thought that those who toil are entitled to adequate remuneration. The members of the council have been drawing $2,000 per year. We think that opportunities to serve on council should now be given to every resident in the north competent to serve. We are therefore bringing in this amendment, increasing the emolument to $5,000 per year for elected members, of which $1,000 shall not be considered for taxing purposes. In addition to that, there are a number of other amendments where greater power is given to the commission and to the council, by the setting up of a territorial fund. I think hon. members of the house will realize that the territorial fund of the Northwest Territories is part of the consolidated revenue fund of Canada. In the setting up of the fund, greater power is given to council to govern there.

Apart from total enfranchisement these are not greatly significant amendments, Mr. Speaker, but they are amendments which we feel at this time, when we are so imminently to receive a report as to what should be the government of the Northwest Territories, we are forced to make. They are the minimum amendments that I would make. To go beyond what we are suggesting in these amendments, or to prejudge the report we expect in August, or to anticipate it in any way, would be very wrong indeed, and would be an affront to the commission of inquiry we set up.

I want to remind the house now, that with respect to the territories of the Yukon and the Northwest Territories—and I speak predominantly of the Northwest Territories—today the taxpayer of southern Canada is sending in about $74 million per year. We are taking out of these two territories a total of $14 million per year.

These territories are deficit areas today. We are just at the point now where we are seeing the possibilities of enormous wealth being exploited there. Mr. Speaker, when you scrape off 20 feet or 30 feet of overburden and take out ore worth $150 a ton, you have a very rich mine. There are a great number of properties that are becoming apparent, which have considerable wealth, and which are sufficiently high in value to justify the admittedly higher costs of transportation and of living in the area.

We are concerned to day with the people who live there. We are putting in a splendid educational system. Eighty five per cent of the children attend school and they attend school 80 to 85 per cent of the time, which is very good for that climate.

I want to remind the house again that the preponderant indigenous population is not generically inferior to any other people in any way. When their young children go to school and they are afforded opportunities equal to those elsewhere, they are every bit as good as anybody else. An increasing number of the indigenous peoples are working in mines, running the railways and performing a variety of tasks which need to be performed, and which were performed previously by white people. As quickly as possible we must raise the numbers of indigenous employees in the territories. That is the only way in which we can construct an economy for those people.

Anyone who says that we must not invest in these people is helping to perpetuate a condition where we should forever have to send in money to sustain the territories. This is a suggestion which is intolerable to the

people who live there, and intolerable to the people of southern Canada.

I think I shall say no more at this time, Mr. Speaker. If there are questions which hon. members wish to ask about the amendment, perhaps I could answer them as we proceed from section to section.

• (8:20 p.m.)

Mr. Erik Nielsen (Yukon): I like the minister's words, but I do not like the methods by which this bill seeks to achieve the laudable objectives which, he has explained, are the intention of the government.

When I speak of material objectives in the north I cannot help but contrast political philosophies. And when I speak of progress in our governmental institutions in the north I assure you, Mr. Speaker, and all hon. members, that I do so entirely without partisanship. I am sure the hon. member for the Northwest Territories (Mr. Orange) will join me in the sympathies I am about to express in this regard.

The government's objective of eventual self-government throughout the north is a laudable one. I will leave the Yukon apart for the moment, because we are discussing the Northwest Territories. But I suggest to the minister and to the government that the objective to which I have referred, however laudable, cannot be achieved by perpetuating a system of appointing members to a body which is supposed to be an elected body, representative of the people of the north.

This is not a continuation of the democratic evolution which has gone on in the Northwest Territories as a matter of history. It is a perpetuation of a colonial system of government. The situation which exists today and which existed under the previous government, whereby the majority of the members of the council were appointed by the governor in council that is, by the government of the federal power of the day, is an intolerable one. It is wrong.

Mr. Laing: We are correcting it.

Mr. Nielsen: It is wrong, whichever government does it. The minister says he and his friends are correcting the situation. But what this house is being asked to do is to alter a situation where there are five appointed members and four elected members in order to create a new one in which there will be a council composed of seven elected members and five appointed members.

As an argument for the continuance of the practice of appointing members, the minister has told us it is a good idea to expose men of commercial, industrial and academic interests to the north by having them serve on the Northwest Territories council, a body which meets half the time in Ottawa and half the time in the Northwest Territories. This is somehow supposed to be justification for appointing people from southern Canada. There is one exception—one which in itself is not consistent with the explanation the minister gave. I speak of Mr. Abraham Ogpik, an Eskimo, who is from the north.

The principle of appointing people to the council so that they may acquire some knowledge during their brief service and be in a position to disseminate it in southern Canada is, in my view, not a sound one. I say this regardless of which government may be in power, because I am dealing with the political development of the north. Then there is the argument that these people may help to provide the elected representative body of the Northwest Territories with some kind of expertise which is not otherwise available. This also is a wrong principle upon which to proceed. The minister knows as well as I do that this house, through its committees system, the provincial legislatures through their committees systems and, indeed, the Yukon legislative council through its system, can at any time call upon experts to assist them in developing thoughts, ideas and laws. There is, I submit, not one single reason or democratic excuse for perpetuating a colonialistic system of appointing members who are supposed to represent the people of the Northwest Territories when, in fact, those crown appointees, with one exception, come from everywhere else but the north.

Is that particular appointment proper? I do not know. I hope to have the pleasure of meeting the Eskimo member of the council some day and discussing the problems of the north with him. But is it right, under a democratic system such as ours, for any resident of the north to be appointed to a council rather than run for election as does every other representative of the people in any democratic institution? There is every reason to expect that should an Eskimo or an Indian run for election to the territorial council, he would have a chance of success. What is the excuse for this colonialistic idea of appointing people to be so-called representatives on what is supposed to be a democratic institution? This, sir, is simply paying lip

service to the idea of democracy. Either we are creating a legislative council composed of elected representatives of the people—and this means precisely what the phrase indicates—or we are not. There is no point in attempting to hide the fact that the institution as it now exists is unrepresentative by introducing so-called expertise when making appointments. This simply will not sit.

I do not accuse or charge any member of this house with an intentional lack of appreciation of what goes on in the north. But the north is a long way from here and its history and its people and its land are largely unknown to the members of this house, simply because they have not been there, because they have not read enough, because they do not know their geography. But one thing is sure: There is not a member in this House of Commons who believes that in any institution which is supposed to be representative and democratic there is a place for people who are appointed rather than elected. It is either an elected representative body or it is not. It boils down to that.

The people of the north want more say in their own affairs, as the minister himself agrees. They will not get it through this process of appointing members to a legislative council. They will get it only when they can express their wishes through their elected representatives in a truly democratic institution. This will not come about by continuing the colonial idea of appointing people to what is supposed to be an elected representative body. That is wrong.

• (8:30 p.m.)

The minister has said—and I speak only with respect to the principle of the bill—that a reasonable indemnity must be set for the members who are being asked to serve on this council. With this I agree. But in the same breath that he says we want to move gradually toward giving the people in the north more responsibility, more say in their own affairs, he is asking this House of Commons, which is a federal elected body, to set the indemnities of another elected body. Surely hon. members can see how wrong that is. It is like asking this house to set the indemnities for the legislature of the province of Quebec, or the legislature of Alberta, or the legislature of P.E.I.

If there are people capable of serving on the council—and the minister knows and has said that there are—then surely they are responsible enough to set their own indemnities. Or are we to treat these representatives who sit on this council like babies? Are we in this house to watch over their every move and say, "You can have only so many dollars and no more?" If they are responsible enough to set their own indemnities, but they set them too high, they will have to answer to their own electors.

The minister is one of many who hold the view—and I do not hold it against them for doing so, because it is simply another point of view—that he who pays the piper must call the tune, that there can be no real autonomy, or progress toward autonomy until such time as people in the north can pay their way. That, sir, was not the case when the province of Manitoba was carved out of the Northwest Territories in 1879. There were fewer white citizens in that province in that day than there are in the Yukon and Northwest Territories today.

Per capita, there are greater subsidies being paid to some of the other provinces than there are to the north. There is no price tag on democracy. If, sir, you admit that there are responsible people in the Northwest Territories and the Yukon—and the minister knows and says there are—then surely they can be entrusted with the expenditure of funds which they derive from taxing themselves and their own resources, and with the expenditure of federal grants and subsidies, in the same way as any provincial legislature.

I am not suggesting for a moment that this house or this country move in the immediate direction of autonomy, or of self-government tomorrow in the north. That would be irresponsible; but I am suggesting that there should be a planned and phased blueprint now for moving in this direction. It is a misconception of democratic progress in that direction to suggest that we must, forever and a day, watch over every action of the members of the legislative council of the Northwest Territories because they cannot be trusted to spend, not only their own moneys but those that come from and have been approved by this house. That is not the case. The best example that can be cited is the schoolboard in Yellowknife which has been functioning for many years, largely spending federal funds.

The minister has said something about the need to move in the direction of more autonomy. I am not going to discuss specific provisions of the bill, nor am I going to say to the minister that he was intentionally paying lip service to that aim, because I know he is a dedicated individual when it

comes to moving in the directions which he feels within himself are most beneficial to northern progress—moving in a direction which he feels will result in the north playing its full part and making the contribution that he, the hon. member for the Northwest Territories (Mr. Orange), and I, know it can make to the over-all national economic fabric of the country—just as the west did when it was growing. But I say to the minister that he is moving backward when he takes away from the legislative power of the council the right to introduce money bills, and that is what he is doing under clause 19 of this bill.

Clause 19 of the existing Northwest Territories Act gives the council the right to introduce money measures, and naturally so. This should be the case and because the council itself imposes taxes on the people who live there it should have the right to pass laws disposing of the revenue derived from those taxes. I say that this should be so, notwithstanding the extend of the contribution made by the federal government. Yet this bill takes that right away. I draw this provision to the attention of hon. members and I know that the hon. member for Northwest Territories has sympathy with what I say.

That is precisely what the minister and the government are doing under clause 19 of the bill. It is transferring the right of the council itself to introduce money measures to the commissioner in council. In other words, if this bill passes, no member of the council will henceforth have the right to introduce a measure which affects in any way howsoever the consolidated revenue fund to be set up by this bill.

The only power that will be left to the legislative council will be the power to withhold passing supply. Members of the council will have every right to tax themselves but will have no right to spend any of the money. Surely, sir, this cannot be construed as moving in the direction of giving them more to say in their own affairs, or moving in the direction of autonomy, or of self-government. It is a retrograde step.

Why is this provision there? I shall suggest a reason, and would hope I am wrong. I believe it is there because the balance of power is shifting. Instead of there being five appointed members and four elected members, under this bill it becomes seven elected members and five appointed. Therefore the bill is saying that we cannot entrust to the responsibility of the majority—that is, the elected members—the power to introduce money measures. That is the result of this bill. I hope I am wrong on this motivation.

Mr. Laing: Your batting average for wrong is high.

Mr. Nielsen: Does the minister suggest for a moment that what I have been saying this evening is wrong?

Mr. Laing: Of course it is wrong.

Mr. Nielsen: I would like the minister to point out where I am wrong.

Mr. Laing: They have more power now.

Mr. Nielsen: The minister says they have more power now. I cannot conceive that he really believes that. The power that the legislative council has now, before passage of this bill, is exactly the same with respect to the introduction of fiscal measures as that of any provincial legislature. The minister cannot gainsay me on that. What this bill will do is take that power away from the legislative council and place it in the hands of the commissioner in council.

The minister knows that the Commissioner of the Northwest Territories is appointed by the government of the day, by the governor in council. Therefore there will not be any money measure introduced into the Northwest Territories council unless it has the prior approval of the Commissioner, an appointee of the federal government. That statement is not wrong, it is precisely accurate.

• (8:40 p.m.)

If what I have suggested is wrong, Mr. Speaker, let the minister now say so. I suggest the principle is wrong in this regard, and for that reason this bill will not move the Territories progressively toward the time when they will have self-government. I suggest this is a step backwards and will take from the elected representatives of the people the rights they should enjoy. In fact, what the Commissioner and the council will be doing, and really it is the Commissioner, because a money matter cannot get to council unless it has passed him, is taxing without representation. We all know what happened in Boston many years ago as a result of the perpetuation of that idea. I am not suggesting that the same result will occur in the Northwest Territories, but the people there feel just as deeply about the situation as we do in the Yukon.

We are not suggesting to the government or the minister that we should be given self-government; we are not suggesting that we should have autonomy; but we do say, for heavens sake, let us do away with this colonialism approach to government in the north and give us more say in our affairs—not all at once, but gradually. The principle in this bill is not a principle that should be followed in an attempt to do that.

As far as the Carrothers commission is concerned, for all the good intentions behind the establishment of it, for all the good principles and concepts involved indeed for all the good work that that commission is likely to do, is it following a reasonable principle? We are being asked to establish a committee to determine in effect whether or not democratic procedures should exist in the north. I can understand the reasoning behind economic study, but I cannot understand the reasoning behind a study to determine whether or not there should be a fully elected body of people to represent the north. Such a principle is a wrong principle. I cast no slurs on the commission in making that observation, but we are being asked to proceed on the basis of a wrong principle.

Any suggestion that we should determine whether or not there should be democratic procedure and machinery in the north, to determine whether or not it is a good or a bad idea to give the people at the local level more say in their own affairs, is a wrong principle. I sugegst it is a ruse—an unintentional ruse, perhaps, but none the less a ruse. We must either accept the principle that it is desirable to create and maintain democratic institutions, or that it is not. This bill does not do that, and does not even move in that direction.

I do not intend to introduce any amendment at the resolution stage, nor does my party. We intend to leave this duty to the hon. member for the Northwest Territories, the minister and the government which he supports. We do implore the government and that hon. member to direct their attention to the real desires and requirements of those people they are supposed to be representing.

Mr. Frank Howard (Skeena): Mr. Speaker, I am one of those so-called southern Canadians who admittedly has not set foot in the Northwest Territories and consequently does not know about personal experiences and situations there from first hand knowledge. I do not know of conditions or concepts there, but as has always been the case in this house, I am one who feels that he votes reluctantly on matters concerning the Northwest Territories.

For the most part, being an outsider and not knowing about conditions and concepts, I think it is presumptuous for us to run full tilt into legislation which affects such a large group of people who are, and in fact have been for many years, living in a communal state. These people are governed by laws made mainly without their consent and without their knowledge. It may be harsh to refer to this area as one which exists in a communal state, but that is the fact. Practically every phase of life in the Northwest Territories falls within the jurisdiction of a group here in Ottawa, many thousands of miles removed from the scene. They have an absentee type of government.

We are being asked to deal with fundamental questions of civil and property rights, freedoms and liberties and a whole range of social and educational matters. These things in any other province of Canada are matters of concern and jurisdiction of local governments. Over the years the only freedoms and rights that have been extended to the people of the Territories have been those extended by this government in Ottawa. Almost inevitably their rights and freedoms have been determined by outsiders.

I may be an outsider or a southern Canadian by the standards of the people who live in northern Canada, but I believe I understand the basic rights and freedoms of people to the point that I can appreciate what should and should not be done. From the point of view of making laws, it is wrong for a governing body to extend to certain groups of people the freedoms and rights that the governing body deems correct. That is the reverse of a true democratic process.

These people should determine their own freedoms and rights, because these things should not be given by the grace of others. That has not been the case so far as the Northwest Territories is concerned. The bill before us represents an extremely minor, timid and gentle step toward a recognition of the fundamental rights of those people who should run their own affairs. Up to now they have been the subject of extreme paternalism without progress. These people are much like the children of a parent who refuses to accept the fact that they have grown up, a parent who continues to exert parental discipline after his children have become adults.

• (8:50 p.m.)

Any lesson that can be learned from history in this regard should have been learned as a result of our experience with our Indian populations. Our conduct toward these people up until recent times has reflected a paternalism of the worst sort, and an attitude that the native people knew nothing while the people in Ottawa knew everything. We should, by the experiences we have had in our dealings with native Indian people, be learning that paternalism is not the answer, that paternalism only serves the ego of him who governs, and does not, except in an extremely limited way, serve the interests of the people who are governed.

The essence of our democratic structure is self-government. This is fundamental to the social, economic and political well-being and progress of any people. I do not think the expected report of Professor Carrothers will run counter to our basic concept of freedoms in this nation, and if it does it should be discarded. I know Professor Carrothers and have sat on a couple of boards with him in dealing with other matters, and as an individual I have come to appreciate and like him. I am sure that his report will underline and substantiate what we all know about the fundamental rights and freedoms of people, namely that these things are their business. Therefore I do not think that we should wait too expectantly for the report of Professor Carrothers except perhaps in so far as details are concerned.

The basics and fundamentals of our rights and freedoms are part of our development; they are part of our constitutional structure; they are part of our respect one person for another. These things cannot be pushed to one side by the report of any commission, and I do not think that in this instance they will be. Our objective must be self-government, as Lincoln put it, of, by and for the people—the people, here, being those in the Northwest Territories.

Under our constitution, almost 100 years old now, we developed the principle of different levels of government, one being federal and the other provincial; one equal with the other in so far as their exclusive right over jurisdiction was concerned. Out of this we have developed an admiration and respect for the rights of provinces to legislate in the fields exclusively set aside to them by the constitution. The provinces respect the exclusive jurisdictions carved out in the British North America Act and allocated to the federal parliament. Where there has been a desire to alter those exclusive jurisdictions or come to agreement about them, it has been done by mutual consent and an amendment to the constitution to alter the original provisions. This parliament did that not too long ago with respect to survivors' benefits. We did it some years ago with respect to unemployment insurance.

I submit that this division of jurisdiction and responsibility for political and economic rights and freedoms of people is ingrained so much as part of our constitutional and governmental structure that herein lies the answer to what should occur within the territories. A number of people in the territories who have looked at this matter seriously—I may be in error in coming to this conclusion—think that even though provincial status is their objective, perhaps to achieve it today or overnight would be premature and injurious in the long run. I understand that this view is taken because of the relatively small population, the vast distances between places and communities, the limited financial base of the area, part of which stems from the limited population and part from the heretofore failure to explore, develop and exploit the natural resources of the area.

If it is the considered opinion of all who know the situation intimately, particularly the people in the area affected, that the status of a province now would be premature and injurious, I suggest that the federal government should take the lead, without waiting for the report of Dean Carrothers, in the promotion of, let us call it a territorial-dominion constitutional conference. I believe that if representatives of the federal government and the territories were to sit down and go over the jurisdictional questions involved we might be able to delineate within our constitution an intermediate step between the situation that prevails now and the status of a province, an intermediate step which would provide self-government to the territories to the fullest possible degree and the removal or elimination of federal government involvement, at least in so far as political freedoms are concerned.

I think that such an amendment to the British North America Act could be accomplished without much difficulty. I toss these out as thoughts of my own and not as any firm proposition as to what should be the division of constitutional jurisdiction. But it

would seem to me that one of the areas of exclusive jurisdiction in so far as the territories are concerned would be with regard to elections of council, elections of municipal governments and bodies contained therein, the determination of the right to vote and qualifications in this respect, within the bounds that there should not be any restrictions based upon race, colour or creed, which is an understood provision in the Canada Elections Act. This area of political freedom and the right of people to choose their own representatives should, I think, be one for the exclusive determination of the territories themselves.

• (9:00 p.m.)

The machinery of elections and the like should be theirs, and not that of the federal government; because one of the bases of democracy is political freedom and the right of people to elect their own representatives to boards, agencies and governments which are going to legislate over them. There is another area that I think is pretty fundamental to the full development of the territories—again, this is only my own thought—and this is the basic question of the effective control of education, which is now a superimposed matter. I believe this might be a proper area for the exclusive jurisdiction of the territories to legislate curricula and the like, in so far as education is concerned, because, first, education is the basis of understanding and, second, because the jurisdictional right of education is enshrined within the purview of the provincial governments at the present time, and is likely to remain there. When the territories get to the stage of becoming a province this will be one of their prime responsibilities, in any event.

There is an interesting part here about the degree to which education should be developed, perhaps to an extent which we in Ottawa cannot comprehend or to an extent perhaps that the government cannot comprehend. One of the statements in the reference paper for the advisory commission on the development of government in the Northwest Territories states that language plays a key role in creating opportunities to realize potential. This refers to people in the territories. It also states that in the 1961 census it was revealed that out of a total Indian and Eskimo population of 13,233, only slightly more than 5,000, or a little more than one-third of the native Indian and Eskimo population of the territories, had a good working knowledge of English. Conversely, almost two-thirds of the population did not have a good working knowledge of English. I submit that in this educational matter there must be the right of people in the Northwest Territories to determine the form which their education is going to take in order that people may be conversant one with the other. This may involve extensive courses, not exclusively of the English language or the French language, but extensive courses in the ability to understand the language the Aleutian people use, the Eskimos, and others, in order that the development of a basis for understanding and communication can come about as quickly as possible. I submit this is one of the several reasons why education might be one of the fundamental questions carved out for the exclusive jurisdiction of any territorial government.

Other matters such as health and welfare which are the basis of a full, happy and healthful life, are subjects which have for some years been neglected in the territories. For instance, the disease of tuberculosis is higher than anywhere else in Canada; infant mortality is higher; life expectancy is lower. The older people in the territories have more difficulty in finding employment and maintaining body and soul.

I believe these are matters which the government in the territories could probably administer to a far better extent than could an absentee landlord or an absentee government in Ottawa. I believe the matter of industry, employment and development of industry should rest in the hands of the territorial government, because this is the basis for social security. The statistics with respect to income in the territories, as indicated in the government document to which I referred earlier, are absolutely shocking by any standards. While we cannot feel emotionally about statistics, if we think in terms of these as related to people, we will come to some understanding of the difficulties confronting the people in the territories. The per capita personal cash income by ethnic groups in the Northwest Territories in 1963 with respect to Indians was a little more than $500 per year, in comparison to less than $500 per year for Eskimos. This document gives another designation which I do not like to an ethnic group. I will refrain from using the word because I think it should not be used in a publication of this sort. However, the document has a designation of "white".

The non-Indian and non-Eskimo population in the territories has a per capita personal cash income of somewhere in the neighbourhood of $3,000, compared with approximately $500 for the people who are native to the area. This is a shocking statistical state of affairs and is brought about partly by the blind paternalism on this and former governments.

I am one of those who believe that even though Dean Carrothers will submit his report shortly, that in so far as preparing the basis of constitutional self-government in the territories is concerned, we have no right to wait except for possibly the mechanics of doing it. Let me repeat this, that I am as sure as I am standing here that Professor Carrothers is not going to bring in a report which will undermine our fundamental concept of our desire for self-government. If he does, then that report should be discarded at once because this is running completely counter to everything which is ingrained in us about political freedoms. To wait for the Carrothers report is merely an extension of the old game of delay and procrastination. We have been delaying, as I said earlier, procrastinating and engaging in paternalism with respect to our native people for more than 100 years, if we go back beyond confederation.

It is just within the last year or two that we are beginning to get a glimmer of understanding of the problems in the territories. We are beginning to understand the damage which has been done to our native Indian population and the damage which it is doing to our concept of democracy itself. We should learn by our errors of the past and discontinue the concept of paternalism with which the Indians of the territories are concerned. I believe steps should be taken immediately to arrange for a federal territorial conference to see if we cannot move quickly toward the question of self-government for the people of that area, based upon mutual desire on their part, and mutual respect and desire on our part to provide it. On this basis I would be happy to vote for an amendment to the necessary statute law in the House of Commons relating to the rights and freedoms of these people in the territories. As it is, I am reluctant to do so because I believe it is wrong for the government body persistently to make decisions about what freedom should be extended to that group which is being governed.

• (9:10 p.m.)

Mr. R. J. Orange (Northwest Territories): I should like to open my remarks by complimenting the minister upon his introductory statement, particularly his reference to resource development in the Northwest Territories. I should like also to express my appreciation of the former ministers of northern affairs some of whom are still in the house and some of whom have left us. Each of these men, in his own way, has put aside political partisanship to give direction to the Department of Northern Affairs and National Resources in order that northern Canada would grow in a way that those of us who live there would like to see it grow. I was more than happy with the remarks of the minister when he said he was hopeful that hon. members of this house might have an opportunity to visit the north. He suggested that there was a right time of the year to do this. I suggest the best time would be in the months of January and February, when one sees the north as it really is.

Many of our northern people were excited when the minister predicted that possibly there would be a further extension of the railroad into southern Mackenzie. Transportation is our key for development. I know he was making a prediction in this connection, but those of us who live there are looking forward to this day.

I have listened with a great deal of interest to the remarks of the hon. member for Yukon (Mr. Nielsen). Regardless of our positions in the house, I think both of us, in our own way, have a deep interest in the affairs of the Yukon and the Northwest Territories. I have the affection for the hon. member for Yukon because in 1961, as a result of his presentation in this house, the franchise was extended to the people of the eastern and central Arctic. It was in this area that on November 8 we obtained our majority. I am confident that tonight, as the member for the Northwest Territories, I speak on behalf of the people of that area who welcome the basic principle contained in this bill, that is the extension of the territorial franchise to the people who live there. This will give persons in the central and eastern Arctic an opportunity of expressing their views on territorial matters.

This bill will give to the Eskimo people and the people whom, with deference to the hon. member for Skeena (Mr. Howard), we in the north call the people from the outside, a chance to participate in the territorial gov-

ernment, a chance to express their views on those matters which are territorial in nature. At the present time the council of the Northwest Territories consists of nine members, together with a Commissioner. The Commissioner is appointed and sits with the council during its deliberations. We have heard during the earlier discussions that five of these members are appointed by the government of Canada. One member is the deputy commissioner who acts in every respect in the absence of the Commissioner.

It is only in recent years, Mr. Speaker, that there have been elected representatives on the Northwest Territories council. The first elected representative sat in 1952. In 1954 the number of elected representatives on the council was increased from one to four. This is how we know the council today. The proposal before us now is to add three additional elected representatives from the constituencies comprising the central Arctic, Keewatin and Franklin. It may be argued that this will give the elected representatives a majority on the council and thus greater control over their own affairs.

During the course of the evening we have heard discussion regarding the appointed members of the Northwest Territories council. Putting other considerations aside for one moment, I think I should mention the contribution which has been made to northern Canada by persons who have been appointed to the territorial council by the various governments of Canada. I could refer to our present Minister of Industry (Mr. Drury), who at one time was an appointed member of council. I could refer to the publisher of the Ottawa *Journal*. These people have served on the council at their own expense. They were not paid an honorarium, but were paid their expenses. They have served, at times at great inconvenience to themselves, and on all occasions have exhibited a deep and abiding concern for the people and the resources of the north. I think I would be wrong if I did not mention the contribution the appointed members have made to the growth of the Northwest Territories.

The north is changing, and changing rapidly, with the increase in communications systems and the tremendous resource development which has taken place. As a result of the government's development program, the northern residents have been offered the same opportunity for education, health, welfare and economic development that their cousins in southern Canada have. There is a genuine desire in the north on the part of the people to have a greater expression in the management of their own affairs. The northern people want and demand more political autonomy. They want to have greater participation in their own government, more say in the determination of local territorial policy. To this end, I believe the advisory commission on government in the north, better known as the Carrothers commission which during the past year has asked northerners their views on the type of government they believe they could have, will be presenting its report. I was a little concerned this evening when I heard some reference to the fact the Carrothers commission may not adequately represent the views of the people of the north when that report is presented to the government.

I have a great deal of faith in the ability and integrity of the people who were appointed to this commission. I believe, as a result of watching from a distance, the kind of interest and concern that they have shown in the Northwest Territories, the members of this commission will present to the government the consolidated views of the people of the Northwest Territories. It may be that as a result of their deliberations amongst themselves, they will not properly present those views. However, I have confidence in the people of the north to express themselves if and when the Carrothers Commission does not do an adequate job. It is for this reason, so far as the Northwest Territories Act is concerned, I think we must look to the amendments before us as housekeeping amendments. The only exception is the proposal to extend the territorial franchise to the eastern Arctic.

• (9:20 p.m.)

It is because this measure is intended to give the only group of people in North America who do not have the right of self-government, a vote in an election, provincial, federal or state, that I would hope the members of this house would accept the bill with the greatest possible dispatch. I say this because the life of the present Northwest Territories council expires in March, 1967. Between now and that time, there will be a minimum of two council sessions. I hope that as a result of these amendments by-elections will be held at the earliest possible date, thus permitting representatives from the eastern Arctic to sit on the council for the balance of

the present sessions, and thereafter in perpetuity. As soon as assent is given to the bill the commissioner of the Northwest Territoriel will be empowered to call by-elections in time for the newly-elected members to join their colleagues for the coming session of the council this summer.

There are two sections of the bill which cause me some concern and which I believe have been referred to previously by the hon. member for Yukon (Mr. Nielsen). However, I should like to state my own feelings in this regard.

The first matter of concern to me relates to the principle involved in section 12 of the act, which will increase the present indemnities paid to the elected members of the Northwest Territories council from $2,000 per year to $5,000. This also includes a $1,000 tax exemption. Incidentally, this section also provides for the first time an indemnity to appointed members of the council at the rate of $3,500 per annum.

There is no doubt in my mind that it is essential that the indemnities now paid to the elected representatives be increased. This will give the elected members the opportunity to spend more time with their constituents. Those of us who know southern Canada find it hard to realize the time, distance and expense involved, even with a small constituency in the north, for an elected member from the Northwest Territories to travel to his constituency to meet the people he represents. If the Northwest Territories council is truly to express the views of the people of the north and to take over increased responsibility in the management of their own affairs, I think that in this section there is an opportunity for the government of Canada to give the council greater authority by allowing it to establish its own indemnities. As the hon. member for Yukon mentioned a moment ago, if the people of the north are not satisfied with the rates of pay which the councillors establish for themselves, they will express themselves properly at the ballot box at the next election.

A second area of even greater concern to me is the proposed amendment to section 19A of the act, which in effect states that only the Commissioner may introduce money bills in the council. As I said earlier, the Commissioner is an appointed person; he is appointed by the governor in council and, in effect, is a civil servant. The principle being proposed in this amendment is consistent with the responsibilities of the executive in both the federal and provincial governments throughout Canada. However, I suggest that the situation of the Northwest Territories is somewhat different.

As the executive arm of government is represented by the commissioner, it is possible that the situation might arise—though I do not anticipate it—where members of the council who are anxious to see a particular matter brought into legislation—primarily a money matter—would not be able to do so because the Commissioner took an adamant position. In theory the Commissioner can refuse to introduce the necessary measures to the council which meet with the wishes of the elected representatives.

On the other hand, Mr. Speaker, the amendment to section 19A provides for the establishment of a Northwest Territories consolidated revenue fund. Up to the present time those revenues which are solely territorial in nature have been kept in the consolidated revenue fund of Canada and are only released to the Commissioner and the council through the written authority of the Minister of Northern Affairs and National Resources.

Now, Mr. Speaker, the Commissioner and the council will have control over revenues which are territorial in nature.

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

Mr. Orange: When I have concluded. On the one hand, we see what appears to be a backward step by giving the Commissioner exclusive control over the introduction of money bills in the council; on the other hand, the Commissioner and the council have more direct control over their own financial resources.

I have been told that, in the first instance, this section was not previously included in the Northwest Territories Act because of an oversight. I accept this explanation up to a point. I should like to think that the minister will look into this contentious section once again and determine, in the light of the recommendations of the Carrothers commission, what means might be developed whereby councillors will have a greater say in the introduction of money bills in the council.

The situation in the Yukon territory is somewhat different. In the Yukon territory there is a financial advisory committee who meet with the commissioner, and comes to Ottawa from time to time to meet with the minister to determine the budget of the

Yukon territory. Possibly this is the answer, or part of the answer, to the problem which I think the territorial council in the Northwest Territories is facing.

Those of us who call northern Canada home acknowledge the contribution to the development of our area made by successive governments of Canada. We have seen the growth of our educational system which, in the space of a decade, has increased enrolment in schools from 15 to 20 per cent to 85 per cent at the present time; and within a few years this enrolment should reach the maximum of 100 per cent. We are proud of the fact that a student can enter primary grades and continue his education through lower school, high school and college at no great financial sacrifice to his parents. Through our education program it is possible for our youngsters whose parents still live in the traditional way to receive a complete education and to take their place in Canadian society.

The education program of the north is a good program, but like all good programs it has its limitations. Northerners are concerned sometimes by the direction the program may be taking. We wonder whether the program itself is training people to meet the responsibilities of a developing northern economy. I should like to think that within a very short time the Minister of Northern Affairs and National Resources, through the officials of his department, might consider, our resources lying, as the minister himself said, not on top of the ground but beneath the ground and whether our education program should be designed to train our young people to participate in the mining and oil industries. I hope that the minister might consider the establishment of a school of mines in the north which would not only train our young people to take their place in the northern economy, but to take their place particularly within the mining industry.

As I said earlier, Mr. Speaker, the proposed amendments which are before the house in my opinion, and I suggest in the opinion of many people, can only be considered as housekeeping amendments. Perhaps there are one or two contentious issues here. However, in the interest of expediting the enactment of legislation which will permit the granting of the franchise to the only residents of Canada who do not have it at the present time, I hope that this bill can pass the house very quickly.

[Mr. Orange.]

I also hope that members such as the hon. member for Skeena (Mr. Howard), who expressed a very great interest in the north and the desire to visit northern Canada, will have the opportunity of presenting their views to the Carrothers commission. I commend the hon. member for his interest in northern Canada, and I hope that this interest will permeate throughout the entire house so that Canadians generally will become involved and concerned with northern Canada, which in the opinion of many of us is the place where Canada will make its true mark in the world.

• (9:30 p.m.)

Mr. Nielsen: Would the hon. member permit a question, after his very excellent speech. I may have misheard him, but I do not think so. Does he not agree, under the act as it exists now, that the Commisisoner in council has the absolute authority to legislate with respect to fiscal matters, but that in the proposed change he may not so legislate except when the appointee of the government of Canada introduces a money matter to council?

Mr. Orange: No.

Mr. Nielsen: The hon. member will not agree with that.

Mr. Orange: No.

Hon. W. G. Dinsdale (Brandon-Souris): It is always refreshing, Mr. Speaker, to hear the representatives for the vast area north of the sixtieth parallel in debate in this house. As the previous speaker has just indicated, regardless of party they bring a refreshing atmosphere, a refreshing candor to the house, which is a style that is peculiar to northern representatives. I would agree with the present member for the Northwest Territories that that has been demonstrated here over the years. Mr. Hardie, when he was a member, radiated that particular essence of the northerner. He was succeeded by his wife for a short period, who carried out the work of her husband. More recently we have had that genuine northerner, Mr. Rhéaume, in the house. I call him genuine, without prejudice. He grew up in northern Manitoba. Even though I myself am a Manitoban, when I say that in many respects Manitoba has pioneered northern development, I think I shall be understood by hon. members to be speaking without prejudice. Mr. Rhéaume had the

advantage of an excellent preparatory background, for his service to the north. Also speaking tonight have been the hon. member for the Yukon (Mr. Nielsen), and the present hon. member for the Northwest Territories (Mr. Orange).

I enter this debate, Mr. Speaker, for two reasons. This happens to be an historic day in northern development. Ninety six years ago today, Mr. Speaker, the great leap forward in northern development took place when the province of Manitoba became the first province to be formed out of the huge western territory that was known generally as the Northwest Territories. Great celebrations are taking place in Manitoba today to mark that occasion. There are observances in every school. You may be sure that the young people of Manitoba will be made completely aware of the fact that development in Canada, ever since the earliest days, has been in constant progression outward into the Northwest Territories.

I speak also, Mr. Speaker, as a former minister of the crown responsible for northern development. I agree with my successor, the present Minister of Northern Affairs and National Resources, that there have been recent developments in the Northwest Territories, as well as in the Yukon territory, that are greater than could have been anticipated when the new outward thrust got under way in this country, some ten years ago.

It is a rather sad commentary on our record as a pioneering nation to recall that following the establishment of the province of Manitoba in 1870, there was no further development towards provincial status for the Northwest Territories until 1905. In that year the province of Saskatchewan and Alberta joined confederation, with complete autonomy. Looking back at the history of that period, we find that the famous debate on the autonomy bill took some four years, before finally being approved by the house in 1905. I do not think the present bill is going to be before the house for that long period of time.

Actually, as the hon. member for the Northwest Territories was intimated, this is a housekeeping bill and it does very little to advance the march toward autonomy and provincial status that has been the subject of discussion, both within the territories and outside, to an increasing extent during the past few years.

I am afraid that the rate of political development has not kept pace with the rate of economic development that was referred to by the minister. He referred to the Pine Point railway project which, of course, is exhibit A so far as the territories are concerned. This parliament approved of that measure, not necessarily with unanimity, as I recall, only five years ago. The colleagues of the present Minister of Northern Affairs and National Resources looked at the economic potential of the Pine Point railway development with what might be called a jaundiced eye.

That railway is the great communications link which has made possible the remarkable economic development in the lower Great Slave lake area during the past two years. Communications are basic to economic development. It is for this reason that the government to which I belonged proposed, as a major plank in its northern development program, filling in the gaps in our communications system as quickly as possible.

It is only six or seven years ago that the present Prime Minister referred to this upsurge in communications and to this enthusiasm for communications as a case of jumping from igloo to igloo. That attitude no longer prevails. The government has accepted the philosophy and the enthusiasm of the former Conservative administration for northern development.

• (9:40 p.m.)

It is unfortunate that the political development has not kept pace with the recent economic development. A few years ago it was contemplated that by 1962, both the Yukon territory and the Northwest Territories would be taking substantial and joint steps in the direction of greater autonomy. In fact it was hoped that the political evolution would bring both these areas close to provincial status by 1967.

I will not review the history. Other speakers have mentioned it tonight—the extension of the franchise, the desire to give greater autonomy in the legislative sense in these territories, the desire to remove the seat of government from Ottawa to the territories, as far as that part of the north is concerned. These were all a part of the grand strategy.

The hon. member for the Northwest Territories (Mr. Orange) has himself referred to the vociferous demand from northerners themselves for increasing control of their own affairs, and it is unfortunate we were not able to proceed to a greater extent toward

the realization of these objectives. Unhappily there has been hesitation during the past few years.

We had some bills before this house, in 1964 I think it was, which contemplated political progress in the territories. At that time the government hoped to proceed to a division of the territories into two separate political entities. It is significant that the government and parliament did not proceed at that time because those bills were referred to the Standing Committee on Northern Affairs and National Resources, and as a result of the discussion it was discovered that the sentiments of the government and of parliament were out of tune with the desires of the representatives of the territories. I found that our discussions in the parliamentary committee were most enlightening. We were able to meet face to face with the actual spokesmen from the north, most of them showing the same colourful characteristics as are demonstrated by northern spokesmen in this chamber. It is significant that while the Northwest Territories council itself had recommended this particular solution to the problem of political development in the north, the spokesmen from the north disputed the recommendations of the council. This of course arose from the fact that the dominating influence on the council at that time lay with the appointed representatives rather than with the elected representatives.

Mr. Orange: Does the hon. gentleman not recall the vote on the part of the elected members regarding the splitting of the territories at the council session in Cape Dorset in 1962, when a decision was made on this matter?

Mr. Dinsdale: That is exactly what I am saying. The recommendation came out of the Northwest Territories council and, as I thought I was intimating, it was only when that recommendation was brought before a parliamentary committee, and we heard from the spokesmen of the north, that we found the recommendations of the Northwest Territories council to be inconsonant with those of the spokesmen of the people of the north. I thought I was making that point.

Mr. Orange: One question. My recollection is that spokesmen for the north, on the recommendation of the sitting member for the Northwest Territories, put forward their views, and that if the sitting had been continued there would have been other spokesmen from the north expressing different views. I am not arguing now the merits of the case for the division of the territories.

Mr. Dinsdale: Nor am I. I am making the point that the council at that time seemed to be not altogether representative of the genuine feelings of the north and I am suggesting that this would be because the elected representatives were not the predominant influence on the council.

It is for this reason that I heartily endorse the sentiments of my hon. friend from the Yukon (Mr. Nielsen) who has suggested that the time has come to make the Northwest Territories council entirely elective. I think the time is past due. The north has moved forward much more quickly than anyone—

Mr. Orange: You had the chance.

Mr. Dinsdale: The hon. member for the Northwest Territories says I had the chance. Well, we were moving in this direction in 1963 but for the past three years there has been no progress in this regard. I must say I have not had the chance for the past three years—almost four years.

I must observe that this non-partisan atmosphere has certainly degenerated recently. I am not defending anything here. I repeat: We have difficulty in this House of Commons in getting the pulse of the north and, in case the hon. member for the Northwest Territories still misunderstands, my point is that the progress of economic development there has been much greater than could have been anticipated and, unfortunately, it has left us behind in our political development.

I can quote the hon. member directly in this regard. He himself says that this is nothing but a housekeeping bill which does nothing to respond to the great desire of northerners for more autonomy and a greater degree of self government. A commission has been appointed to look into the question of autonomy and self-government in the north. My hon. friend from Yukon has already dealt with the subject. The commission is to report in September and nothing will happen in terms of granting greater self-government until this government takes action. It is therefore not making a direct contribution toward the solution of the problem we have all recognized here tonight.

I am making these preliminary remarks because I feel it would be in the best interests of political development in the north if

this bill could be brought before the parliamentary committee, which is meeting at the present time. The experience which was ours in dealing with the bill on the division of the territories is a salutary one in this regard. As a result of meeting face to face with the spokesmen of the territories the government changed its mind completely on the matter.

• (9:50 p.m.)

The hon. member for Northwest Territories (Mr. Orange) has indicated that it is imperative that we proceed to give the territorial vote to the people in the eastern Arctic. They were given the federal vote in 1962 when we were in power, and we intended to give them the territorial vote as quickly as possible. I agree that it is imperative that they be given the territorial vote. An anomaly has existed for the past three or four years which should have been rectified before this.

I also agree that the indemnity situation should have been resolved. If discussion in the parliamentary committee will hold up progress in this regard, then I say by all means let us proceed. However, I hope this is not going to be an excuse for not giving a better response to the obvious demand for greater autonomy. When the Carrothers commission report is presented in September, I suggest that it be immediately referred to the standing Committee on Northern Affairs and National Resources so that we may draft the legislation that is urgently required.

I hope we can still make the target date of 1967 for the great step forward in progression toward more autonomy in the northwest. Vigorous action and leadership will be required on the part of the government, but judging from this discussion tonight everyone has the same aim. Personally, however, I feel that referring this bill to the committee could provide a framework within which the matter could be handled more expeditiously, because I fear a long period of delay after the Carrothers commission report is received. My recommendation is that the committee on northern affairs be given a chance to hear from the spokesmen for the north, and I would endorse the suggestion that has come from several sources that we ourselves set foot in the north. Further, I would agree the colder the better, because that is what gives the spokesmen from the Northwest Territories and the Yukon that peculiar, refreshing flavour in this house, with more of which we could all do.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

On clause 1—*Council.*

Mr. Starr: Mr. Chairman, may I call it ten o'clock as there will be further discussion on this.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Knowles: Tomorrow?

Mr. McIlraith: Tomorrow we propose continuing with the two bills standing in the name of the Minister of Northern Affairs, the bill concerning the Northwest Territories through committee stage, and third reading if it is agreeable to the house, and the bill to amend the Yukon Act through second reading and committee stage. We shall then take the Forestry estimates, the Labour estimates, the Post Office estimates, and after that the estimates of the Department of Industry.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

NATIONAL CENSUS—QUEBEC—INQUIRY INTO APPOINTMENT OF COMMISSIONERS

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, this is a question for the Minister of Trade and Commerce (Mr. Winters) or his parliamentary secretary, because demagogic and unfounded accusations—I repeat demagogic and unfounded—were made against the government by an hon. member of this house and I hope, Mr. Speaker, that tonight's rebuttal of the allegations made by the hon. member for Lapointe (Mr. Grégoire) will receive the same coverage in the press as the accusing member got.

What is the complaint about? That people of Liberal allegiance were given the responsibility of the next national census, to begin next June 1. I do not know of any officially accepted definition of patronage but, without being a professional linguist or a lexicologist, I think, from experience of our electoral ways, that there is patronage when competence makes way to partisanship or political allegiances. If a government is lucky enough

to get both the competence and the necessary ability to do the work, then I think there is no patronage.

• (10:00 p.m.)

However, I wish to make it clear that I am not as competent as the hon. member for Lapointe, whose absence I regret, to define patronage, because I think that as the close friend of Joseph D. Begin, he has more experience in that field.

However, if such an attack from the hon. member for Lapointe is valid, Mr. Speaker, it would be necessary to criticize the whole of our judicial institutions whose members often are former active members of this or that political party.

Then, each time a government appoints a judge, it would be necessary to talk of patronage because, quite by chance, the judge appointed to a superior court, even to the Supreme Court of Canada, is of such a political allegiance. It would be necessary to ask the government to explain its stand; it would even be necessary to ask the judge to resign because he seriously engaged in politics. That is stupid, illogical, to quote the very words the hon. member for Lapointe used when he deplored a situation in the house, namely that scandal mongering was always popular. He was the first to raise a scandal and he was the first a while ago to deplore that the House of Commons has reached such a point that nothing is discussed here but scandals.

Mr. Speaker, one often sees the straw in one's neighbour's eye but fails to see the beam in one's own. I say that there was no patronage in the appointment of the commissioners because all those who were appointed—the parliamentary secretary will answer me—passed examinations.

They took the required examinations. They took the tests provided for at the time. If the officials accepted them as being sufficiently competent and sufficiently qualified to fill the post of commissioner, there is no patronage.

There were even cases of people who had been recommended and who were turned down because, according to the tests, they did not have the necessary qualifications. That happened in my own riding and I would like, incidentally, to pay a special tribute to the census takers which have been appointed; they are people of extraordinary devotion and competence, of unusual ability in the riding of Lotbinière and I am convinced, they will do a wonderful job, truly efficient and worthy of the position they hold.

[Mr. Choquette.]

Under such circumstances, Mr. Speaker, there is no patronage. Finally, I would like to make an appeal for a stop to efforts aimed at discrediting politicians needlessly. Every time a member makes a suggestion, it becomes subject to suspicion, Mr. Speaker; because a politician suggests a name, it is naturally suspect.

There is always something suspicious about it, always something crooked about it, always something dishonest about it. That is how the prestige of politicians is destroyed, how the prestige of parliament is destroyed.

Because a member of parliament makes a suggestion, it does not mean that the idea is necessarily and fundamentally wrong. In the mind of the member for Lapointe, because ministers have made suggestions for the appointment of census commissioners, we must be wary of those suggestions.

This is the best way to discredit politicians. As for me, Mr. Speaker, I must say that, at times, I feel that if we persist in this,—I hate to use the word "patronage" because in this case we are not dealing with patronage—instead of political patronage we are heading for bureaucratic patronage. Often this type of patronage, and union patronage is far more suspect than that practised by the members who, at times, are entitled to show some gratitude toward people who have fought the good fight, provided that gratitude is not at variance with the fulfilment of one's duty, provided it is not at variance with the competence required in the performance of one's duties.

I therefore ask the parliamentary secretary, although I have almost answered the question myself: have the commissioners appointed to take the census scheduled to start on June 1 next passed any tests? Are there among them people who did not get the position because they failed the test? And finally, did the minister intervene personally to secure appointments for unqualified persons, when the director of the D.B.S. had made such and such recommendation?

Yet, Mr. Speaker, under section of the act pertaining to the D.B.S., the minister has full jurisdiction to make all the appointments he wants. The minister has absolute jurisdiction, under the act, to appoint whomever he wants.

I do not see how there can be any question of patronage. I suggest once again that the false charges made by the former friend of Joseph D. Bégin are demagogic and unfounded.

[*English*]

Mr. Webb: Mr. Speaker, I should like to ask the hon. member whether he will permit a question?

The Acting Speaker (Mr. Rinfret): Order, please. I regret to inform the hon. member that—

Mr. Webb: I just want to ask the hon. member about the questions to be debated—

The Acting Speaker (Mr. Rinfret): Order. I must remind the hon. member that at this time an hon. member is allowed to present his question and the minister or his representative is allowed to reply; therefore no question can be put.

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): Mr. Speaker, the ardour of the hon. member for Lotbinière (Mr. Choquette) always reminds me of a definition of General de Gaulle who said that politics is a great quarrel. I hope this quarrel will be kept on a high plane.

The appointment of the commissioners and the procedure for such appointment is laid down in section 5, subsection 1 of the Statistics Act which provides that it is the minister's duty to appoint the commissioners. This is how they are selected: suggestions are made in each district and names are submitted to officials of the Dominion Bureau of Statistics. The Bureau has a competent staff; there are specialists, examiners who examine every candidate and when a report is made to the minister that a candidate has successfully passed the examination, the appointment is then made by the minister.

I should like to emphasize that such appointments are made in accordance with the Act and according to the candidate's competence.

On the other hand, if the procedure provided by the Act were different, I am quite confident that all members are convinced that the Minister of Trade and Commerce (Mr. Winters) would have adhered to the procedure provided by the law, as he has done in the present circumstances.

[*English*]

ROYAL CANADIAN MOUNTED POLICE—POSSIBLE REMOVAL OF WORD "MOUNTED" FROM TITLE

Mr. Lawrence Kindt (Macleod): Mr. Speaker, the hour is late and I shall be very brief, but I do wish to take advantage of the time of the house to establish the origin of the Royal Canadian Mounted Police. I want to talk especially about the word "mounted" in that name, and point out to the house that Macleod, the constituency which I represent, has the distinction of being the place in Alberta in which the Northwest Mounted Police force was established. I wish to place on the record the history and development of the force and register strong objection to any change in its name, regardless of the fact that since that time the horse is being replaced by the motorcar.

The Northwest Mounted Police force was established in 1874. Shortly after that date it was placed under the direction of Commissioner Colonel Macleod. In 1904 the word "Royal" was added by His Majesty King Edward VII and the force became known as the Royal Northwest Mounted Police. The function of the Northwest Mounted Police when they set up headquarters at Fort Macleod, Alberta, and built a fort there—this was in the early days, 1874—was to clean up the illicit whisky trade being conducted among the Indians. The Blackfoot treaty was established in 1877. In addition to cleaning up the illicit whisky trade, the force wanted to catch the horse thieves in the area. The town of Fort Macleod, the constituency I represent, was named after Colonel Macleod. John Herron was elected its first representative in 1908.

For many, many years the Royal Northwest Mounted Police wore the scarlet uniform. That uniform was respected, and is respected today, in all parts of Canada. I wish to pay tribute to this force and say it is one of the best organized police forces in the world. Its symbol of authority was the scarlet uniform.

• (10:10 p.m.)

At Fort Macleod today they have erected a museum to which the government of Canada has contributed $25,000. I would like to see this government give consideration to having a detachment of Royal Northwest Mounted Police stationed at Fort Macleod during the tourist season to lend to the occasion a sense of colour and dignity.

I am told that at Waterton Lake it is optional with the R.C.M.P. whether they wear the scarlet uniform or not. I share the opinion with people of my constituency, and others who visit Waterton Lake, that we would like to see the scarlet uniform not optional but compulsory. The tourists who

come there immediately want to know, "Where can I see someone in the Royal Canadian Mounted Police with a scarlet uniform?" We see them dressed in this fashion in the national capital in the summertime. Why can they not do the same at Fort Macleod and at Waterton Lake? So I pass this suggestion on to the government because the people in my constituency are asking for it and it would not cost anything. This would lend dignity and prestige to the force.

In 1919 the Dominion of Canada took the name "Northwest" out of the name and substituted the word "Canadian", making it the Royal Canadian Mounted Police which is now the name of the force today. Let me say that regardless of what may happen to the use of horses, the removal of the word "mounted" would be very much opposed in the riding of Macleod. I am sure people throughout Canada would be opposed to any move on the part of the government or anyone else to remove that word "mounted" from the name Royal Canadian Mounted Police.

So I wanted to avail myself of this opportunity to speak on behalf of my people, the constituents of Fort Macleod, who have a pride in that name and who in turn are, above all, anxious to see that the word "mounted" remains in the title of the name we now have for the force once known as the Royal Northwest Mounted Police.

Let me say in closing that there are plenty of ways that you can explain the word "mounted". They may be mounted on a motorcycle, they may be mounted on some other kind of vehicle. So there is no particular need for any change to be made in the name "Royal Canadian Mounted Police". I want to stress that point, simply because it was in my riding at Fort Macleod where all of this had its origin, and I wish to bring it to the attention of the Solicitor General.

Hon. L. T. Pennell (Solicitor General): I hope the hon. member will allow me to congratulate him both upon the spirit and the letter of his remarks. I can assure him that no consideration is being given to changing the name of this great enforcement agency.

Motion agreed to and the house adjourned at 10.17 p.m.

HOUSE OF COMMONS

Friday, May 13, 1966

The house met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NATIONAL HOCKEY TEAM

Mr. Speaker: Perhaps hon. members will allow the Speaker to infringe the rules of the house in order to bring to the attention of hon. members the presence in the Speaker's gallery of Canada's national hockey team.

[*Translation*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

SEVENTH REPORT OF STANDING COMMITTEE

Mr. Gérard Pelletier (Hochelaga) presented the seventh report of the standing committee on broadcasting, films and assistance to the arts.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

[*English*]

FINANCE

TABLING OF STATEMENT RESPECTING ACQUISITION OF MERCANTILE BANK SHARES

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, yesterday the hon. member for Carleton (Mr. Bell) asked that the hon. member for Davenport (Mr. Gordon) table a document to which the hon. member had made reference in rising on a point of privilege. I should like to table that document for the hon. member who unavoidably is absent.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

NATIONAL DEFENCE

REQUEST FOR FIGURES ON RECRUITMENTS AND RELEASES FROM ARMED FORCES

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Minister of National Defence a question which I am sure he is expecting. Will the minister give the house accurate information with regard to withdrawals and recruitments for the armed services? We were given a written answer on May 9 showing that withdrawals from the armed services for the first three months of this year exceeded recruitments by 1,525. Yesterday the minister gave us figures indicating that recruitments were greater than releases from the armed forces. Could we now have an accurate statement from him with regard to this problem?

Hon. Paul Hellyer (Minister of National Defence): Since this question is of a statistical nature I suggest it be put on the order paper.

Mr. Churchill: Oh, Mr. Speaker, the question was on the order paper and was answered on May 9, as is recorded in *Hansard*. The question was:

> What have been the total enlistments at the commissioned and non-commissioned levels during the months of January, February and March, 1966, by each branch of our armed services?

The second question was:

> By month, what have been the number of discharges and/or resignations at each level since January 1, 1966, by each branch of the armed services?

Those were the questions and we have the answers. I suggest that yesterday the Minister of National Defence, through ignorance, misled the House of Commons and the matter should be straightened out right away.

Mr. Hellyer: Mr. Speaker, I think there is a problem of semantics, in respect to the question of withdrawals, between voluntary releases and total releases. The question answered the other day in *Hansard* referred to releases. To the best of my knowledge the figures I gave yesterday—and I will take the question as notice and give my hon. friend a more definitive answer on Monday—referred to voluntary releases.

Mr. Churchill: Mr. Speaker, I rise on a question of privilege. This is an attempt by the minister to evade a very important issue in this country. He used the word "releases" yesterday and did not preface it with the word "voluntary" or anything of that nature. I suggest, sir, that this is showing complete disregard for the rights and privileges of this house.

Inquiries of the Ministry

Mr. Speaker: Order. There is no question of privilege here. This is a dispute over the interpretation of facts and figures between the Minister of National Defence and the hon. gentleman who placed the question. Certainly I do not think this is the time to resolve the difficulty.

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. The minister took a question of mine as notice yesterday. Is he prepared to answer today?

Mr. Hellyer: Not yet, Mr. Speaker.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a supplementary question for the Minister of National Defence. I wonder whether the minister is aware of the effect that his attitude, displayed yesterday and today, is having on the morale of the members of the Canadian armed forces.

Mr. Speaker: Order. That question is not acceptable.

CANADIAN BROADCASTING CORPORATION

REQUEST FOR REPORT ON WORK OF MEDIATOR

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the fact that it will be two weeks on Sunday since the Prime Minister asked Mr. Stuart Keate to consult with the Canadian Broadcasting Corporation management and producers, does the Prime Minister yet have a report from Mr. Keate on the results of his efforts? If not, will he make an inquiry and give us a statement on Monday?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I asked Mr. Keate how he was getting along the other day, and he said he was getting along very well and hoped to be able to finish his work very shortly.

Mr. R. W. Prittie (Burnaby-Richmond): A supplementary question, Mr. Speaker. Yesterday the hon. member for York South asked the Prime Minister about the attendance of the executive assistant to the Secretary of State at these talks. Can the Prime Minister reply to that question today?

Mr. Pearson: Yes, Mr. Speaker. When Mr. Keate was good enough to take on this assignment he indicated to me that he might need assistance of a general and administrative character from somebody with knowledge of broadcasting and its relationship to government, who could do some research work and help him in his communications. For that purpose the Secretary of State agreed to make available to Mr. Keate her executive assistant, and he has been helping Mr. Keate in that capacity.

TRADE

HIDES AND SKINS—COPPER—OPERATION OF EXPORT CONTROLS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Trade and Commerce in view of the importance attached to controls on calf hides and skins. Has he anything further to add to the explanation he gave to the house in an answer on April 27?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, the hon. member was kind enough to give me notice of his question. I might say that since I replied to a similar question in the house on April 27 there has been no material change in the situation affecting hides and skins. No permits have been issued for re-export to any destination of United States origin hides and skins since the requirement for permits was imposed on March 24. Owing to the very heavy and unprecedented volume of movements to area list countries, further processing of permits has been suspended temporarily. To assist in keeping the situation under review it is intended to invite representatives from industry and the trades concerned to form an industry advisory committee.

Mr. G. L. Chatterton (Esquimalt-Saanich): A supplementary question, Mr. Speaker. Can the minister advise the house whether any applications for permits for the export of copper products have been received? If so, what has been the disposition of those by the government?

Mr. Winters: At the moment, I do not have knowledge of the number since the regulation went into effect. One application has been received within the last few days. That application was a request for permission to ship a small amount of concentrate from a mine in New Brunswick. That concentrate, containing some copper, is high in zinc content, also in lead. It is a concentrate that is difficult to

process. It is regarded as a dirty concentrate, not acceptable to smelters in Canada on a normal basis. We have granted a permit to export that small amount of concentrate.

LABOUR RELATIONS

QUEBEC—STOPPAGE OF WORK BY LONGSHOREMEN

On the orders of the day:

Mr. G. D. Clancy (Yorkton): Mr. Speaker, may I ask the Minister of Labour whether he has done anything about the longshoremen's strike on the St. Lawrence? Is he aware that a lot of shipping, loading grain for export, is tied up? Has any action at all been taken by the government about this matter?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I thought I had answered that question very fully yesterday.

Mr. Clancy: A supplementary question, Mr. Speaker. I should like to ask the Minister of Transport whether he is going to have the seaway cleared before the shipping season really starts.

Hon. J. W. Pickersgill (Minister of Transport): So far as I know, the seaway is clear. In some respects perhaps it is too clear at the moment.

[*Later:*]

Mr. Jack McIntosh (Swift Current-Maple Creek): My question, which is addressed to the Minister of Transport, is supplementary to the question asked by the hon. member for Yorkton. Can the minister inform the house whether this strike, and the tying up of grain ships which has followed, will interfere with the movement of grain across Canada and result in the loss of grain sales?

Mr. Pickersgill: It certainly will not—at least I hope it will not—affect any shipments out of the west coast, or eventual shipments from Hudson Bay where we are now trying to fill the elevators, or shipments out of the eastern ports. And I pray that by Monday it will not be affecting St. Lawrence ports, either.

[*Later:*]

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the regrettable tie up of shipping on the St. Lawrence affecting the movement of grain, will the Prime Minister and the government give further consideration to the construction of more terminal facilities on the west coast, at Prince Rupert and Vancouver?

Mr. Speaker: Order. The question is of a general nature and I suggest it cannot be asked at this time.

Mr. Kindt: It is right to the point, Mr. Speaker.

NORTHERN AFFAIRS

RE-ESTABLISHMENT OF ROADS TO RESOURCES PROGRAM

On the orders of the day:

Mr. Robert Simpson (Churchill): My question, Mr. Speaker, is directed to the right hon. Prime Minister. Is the Prime Minister yet in a position to advise the house whether it is the intention of the government to re-establish the roads to resources program?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. I cannot add anything to what has already been stated about this matter by my colleague the Minister of Mines and Technical Surveys.

Mr. Simpson: A supplementary question, Mr. Speaker. May I ask the Prime Minister, then, whether the subject at the present time is being studied by the cabinet.

Mr. Pearson: Very much so, Mr. Speaker.

[*Translation*]

BROADCASTING

INQUIRY AS TO PRODUCTION OF WHITE PAPER

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to put a question to the Secretary of State.

Since the committee on broadcasting, films and assistance to the arts is sitting regularly and will hear very important witnesses again next week, could the hon. lady tell the house whether she will be in a position to table her white paper on broadcasting in the near future?

[*English*]

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, as I told the committee on broadcasting when it began its deliberations, I anticipate that this matter will be before the house before the end of June.

Inquiries of the Ministry

HEALTH AND WELFARE

REQUEST FOR STATEMENT ON CONTROL OF DRUG LSD

On the orders of the day:

Mr. Frank Howard (Skeena): I do not know whether I should direct this question to the Minister of National Health and Welfare or to the Minister of Justice. Whichever minister feels he has jurisdiction over what I am about to raise could perhaps deal with it.

My question is based upon an article which appeared in this morning's *Globe and Mail* relating to what is believed to be the first arrest resulting in a charge of a person selling the hallucinating drug lysergic acid diethylamide, known as LSD, which it is illegal to possess in Canada. This arrest was made in Vancouver.

I wonder if the minister would indicate what steps are being taken to detect the possession of this drug, to prevent its further dissemination and to prevent trafficking in it.

Hon. A. J. MacEachen (Minister of National Health and Welfare): This is a rather involved question, Mr. Speaker. With the permission of the house I should like to make a statement on this question, now or early next week.

An hon. Member: Now.

Mr. Howard: The minister, I take it, is asking for permission to revert to motions. We might do that, I submit, because of the importance of this matter.

Mr. Speaker: Is the minister seeking permission to revert to motions?

Mr. MacEachen: In reply to the question asked by the hon. member, I should like to make the statement on Monday.

OLD AGE SECURITY

INQUIRY AS TO INCREASE OF $25 A MONTH

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): My question is directed to the Minister of Trade and Commerce. In view of recent information regarding pension plans, both private and public, I wonder whether the minister would not use his good offices to influence the government to increase old age security payments by $25 a month.

Mr. Speaker: Order, please.

[Miss LaMarsh.]

ADMINISTRATION OF JUSTICE

REVIEW OF REPORT ON JUVENILE DELINQUENCY

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, last week I addressed a question to the Minister of Justice. The question dealt with juvenile delinquency, and the minister reminded me that that subject comes within the portfolio of the Solicitor General.

The question appears at page 4725 of *Hansard*. I bring it to the attention of the Solicitor General. It simply asks what progress is being made by his department in studying the report on juvenile delinquency tabled in this house two months ago, and inquires what consideration is being given to forwarding the very helpful recommendations contained in that report to the departments of justice and legal affairs.

Hon. L. T. Pennell (Solicitor General): Within the office of the Solicitor General a study is being conducted at this time; but it is apparent from paragraphs 65-67 of the report that certain constitutional questions present themselves, and for this reason an interdepartmental committee composed of members from the Departments of Health and Welfare, Justice, Finance and the Solicitor General has now been brought into being.

HOUSING

REQUEST THAT FUNDS BE MADE AVAILABLE THROUGH CORPORATION

On the orders of the day:

Mr. Reid Scott (Danforth): May I direct a question to the Minister of Labour in his capacity as the minister who answers for the Central Mortgage and Housing Corporation? In view of the worsening crisis in the housing industry in Canada caused by the lack of mortgage money—for example, in the Toronto area—

Mr. Speaker: Order. The hon. member knows he cannot accompany his question by statements and I believe this is what he is trying to do, now. He should address his question directly to the minister.

Mr. Scott (Danforth): I was just about to do so. In view of what I have indicated in my preface, is the minister prepared to reconsider his position and take responsibility for making sure that sufficient mortgage funds are available to keep the building industry operating?

Hon. J. R. Nicholson (Minister of Labour): No change is contemplated, Mr. Speaker.

Mr. Scott (Danforth): In view of the indifferent attitude exhibited by the minister—

Some hon. Members: Oh, oh.

Mr. Scott (Danforth): —can I ask the Prime Minister whether he will take up this serious matter and do something about it?

Mr. Speaker: Order, please.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I would like to put a question to the right hon. Leader of the Opposition, but in his absence I shall address it to the house leader of the Conservative party—

Mr. Speaker: Order.

Mr. Choquette: I would like to put my question to the hon. Minister of Justice. The question is very serious, Mr. Speaker.

Does the minister intend, in view of the unseemly remarks made by a member of this house concerning the Supreme Court, to insist that the Leader of the Opposition make apologies?

FINANCE

EFFECT OF GUIDE LINES ON U.S. SUBSIDIARIES

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, may I put a question to the hon. Minister of Trade and Commerce concerning the guide lines he sent Canadian subsidiaries of foreign or American firms?

Would the minister tell the house what type of replies and reactions he has obtained so far?

Mr. Speaker: I believe this question is out of order.

[*English*]

EXPO '67

DISCUSSIONS RESPECTING PARTICIPATION BY COMMUNIST CHINA

On the orders of the day:

Mr. George Muir (Lisgar): I have a question for the Minister of Trade and Commerce. Bearing in mind the statement made by the Prime Minister in New York the other day with regard to the eventual recognition of red China, can the hon. gentleman inform the house whether there has been any discussion between officers of Expo and officials of red China about having that country put up a trade pavilion at the fair?

Hon. Robert Winters (Minister of Trade and Commerce): No, Mr. Speaker, I have not.

EXTERNAL AFFAIRS

VIET NAM—REQUEST FOR RENEWED EFFORTS TO END WAR

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the serious news which has been coming out of Viet Nam during the last couple of days, would the Prime Minister consider making another serious effort to persuade the President of the United States to take steps to bring the war in Viet Nam to a close before it escalates into a major conflict?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I can only say that important discussions are taking place continually on this matter and the Canadian government is making every effort, through its membership on the international control commission and in other ways, to bring about an improvement of what is a very serious and dangerous situation.

Mr. Knowles: As a supplementary question may I ask the Prime Minister whether there have been any discussions in recent weeks between himself and the head of the United States government with respect to this matter?

Mr. Pearson: Not recently, Mr. Speaker.

Mr. Knowles: Then I urge that there be such a discussion.

VETERANS AFFAIRS

PREPARATION FOR ANNIVERSARY OF VIMY RIDGE BATTLE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to ask a question of the Minister of Veterans Affairs. Its urgency may not be apparent at the moment, but in view of the lengthy preparation required perhaps you will consider it

urgent. In any case the minister may take it as notice.

Is the minister, in co-operation with the Department of National Defence, making any preparations for a ceremony next year, being centennial year, to observe the 50th anniversary of the battle of Vimy Ridge, that ceremony to take place at the monument at Vimy Ridge in France?

Mr. Speaker: I am in agreement with the hon. member who posed the question that the urgency is not readily apparent, and the minister might want to take it as notice.

Mr. Churchill: It will take a year for this government to make preparations.

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I can certainly inform the house that preparations are being made. There was a question, because of the timing of veterans week in Canada, as to the actual date of the ceremony, but certainly it is intended to proceed next year in Europe with a commemoration of that battle.

CANADIAN NATIONAL RAILWAYS

RECONCILIATION OF COMPANY AND CANADA PENSION PLANS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the difficulties in existence at the present time among members of the I.L.A. and the C.B. of R.T. unions and the C.N.R. with reference to the combining of the C.N.R. pension plan and the Canada Pension Plan, would the minister consider having someone from his department meet with the parties concerned to help solve the problem? I regret I have not been able to give the minister notice of this question. Maybe he will wish to take it as notice.

Hon. J. W. Pickersgill (Minister of Transport): I think that would be advisable, Mr. Speaker.

NORTHWEST TERRITORIES ACT

AMENDMENTS RESPECTING ELECTED MEMBERS, INDEMNITY, ETC.

The house resumed, from Thursday, May 12, consideration in committee of Bill No. C-146, to amend the Northwest Territories Act—Mr. Laing—Mr. Rinfret in the chair.

[Mr. Churchill.]

On clause 1—*Council.*

Mr. Nielsen: Mr. Chairman, I thought under our new rules clause 2 should be considered first?

The Deputy Chairman: Not in this case.

Mr. Nielsen: Then I shall speak to clause 1. This clause deals with the composition of the council and provides that the existing council of nine be increased to 12 members, seven of whom will be elected and five appointed by the government, as opposed to the existing situation where only four members of the council are elected and five are appointed by the government.

Yesterday I elaborated on the undemocratic principle involved in the appointment of members to what is purported to be a body representative of the people of the Northwest Territories. The only reason advanced by the minister for the appointment of members to a legislative body was to introduce some sort of expertise to it, the implication being that that was not available from the population in the Northwest Territories.

I suggest that principle cannot be accepted. As the hon. member for the Northwest Territories knows full well, whenever a territorial legislative council desires to have that kind of expert advice it can be called by having witnesses appear before the council. He himself on occasion has appeared as an expert witness before the legislative council of the Yukon, and indeed gave that council some very sound advice with respect to matters pertaining to hospital insurance. There is no reason why the same kind of procedure cannot be adopted in the Northwest Territories.

The excuse that these experts must be appointed to the council in order for it to function properly is an extremely shallow one and I would urge the minister, before taking that action, to reconsider the principle embodied in this clause. I suggest to him that the clause should read the same as section 9 in the Yukon Act, which sets forth:

> There shall be a council of the Yukon Territory, which shall be composed of five members elected to represent the electoral districts to be named and described by the commissioner in council.

That would have the effect of eliminating appointed members and making the council of the Northwest Territories a wholly elected council with truly elected representatives of the people of the Northwest Territories, without any injection of the government's views through appointed members. There is no justification whatsoever for the appointment of

members to what we are pleased to give lip service in calling this a democratically founded institution, namely, the legislative council of the Northwest Territories. I urge the minister to move such an amendment himself on behalf of the government, and if he is not prepared to do so then I shall.

• (11:40 a.m.)

Mr. Howard: Mr. Chairman, those are also the views which we in this party have expressed from time to time about the appointment of people to legislative and governing bodies. It would seem to me that the reason the council at its recent meeting endorsed the proposal now before us was that at that meeting the elected members were in the minority. In speaking with one of the hon. gentleman of the council afterward I got the impression that the elected members of the council felt that at that time they could not get through a motion to entirely eliminate the appointed members from the council. They thought in this situation half a loaf was better than none at all, and that this would put the elected members in the majority on the council so that at some subsequent meeting of council they could take under advisement more fully the question of having the council wholly and entirely elected. It seems to me that this is reasonable thinking.

Incidentally, I noticed that last night when I asked why the government felt it necessary to have appointed members, the minister in reply said he was giving his own personal view in respect of why appointed members were necessary, and he did not explain what was the view of the government with regard to this matter. I submit the only reason the government desires to appoint people to the council is that this government is putting up a fair amount of money for the operation of the territories and they want to have at least some say in the manner in which that money will be spent.

I submit that the way to do this is not by appointing agents who sit on an elected body, but rather to have that body wholly elected unto itself and, although I do not know the machinery, as the hon. member for the Yukon said if it is desirous to have the advice of technicians and experts in respect of matters such as the expenditure of money and the question of whether some particular projects are more valuable than some other particular projects, the way to do this is by listening to advice given to the council from outside and not by listening to advice given to the council by people who are there and who have an opportunity to vote on the advice they are giving.

I do not know whether at this time we should go through the process of trying to amend the clause which is before us, but as I am an outsider—as I classified myself last night—in respect of this matter it would be very presumptuous for me to suggest it, even though in conscience and in essence I think it is the correct thing to do. This is something which should be left to those who have an intimate involvement in this area, if it is something they desire. I do not wish to put the hon. member for the Northwest Territories on the spot, but I think he is the only person who can move this amendment.

Mr. Knowles: He has a pretty big spot.

Mr. Howard: Yes, he has a pretty large territory to represent. I should like to suggest that the minister or one of his colleagues might take the initiative in this regard and indicate that the government feel as we do about this; that is, that when we are talking about democratic government elected by, of, and for the people, we should spell that out in clear terms so that all the members on the council are elected by the people who are going to be governed by the members on that council.

Eventually, whether it be following the expected Carrothers report, or some time in between now and then, or some years from now—since we know the tendency of the government to delay and procrastinate on these things—some time there is going to be an elected council or elected government, if we want to mention another name, in the territories. It seems to me we should take the bit in our mouth now and recognize the essence of democracy by saying that so far as the territorial council is concerned it should be wholly elected. We should not wait for some time in the future when the pressures catch up to us and we might do things out of an increased demand by people rather than do them now in a spirit of common sense and leadership.

This is the type of leadership which I think the government should be giving in this matter; that is, to recognize that the system of hand picking agents to sit in with deliberative legislative bodies belongs to the period before the turn of the century, and certainly does not belong in this day and age. I urge the minister to stand up and say he agrees with this, and that one of his colleagues is

going to move just such an amendment. If he does, there will not be any lack of unanimity in respect of the idea once it comes to a vote.

Mr. Baldwin: Mr. Chairman, I have no doubt in my mind that the proposal made by the hon. member for the Yukon and supported by the hon. member for Skeena should be adopted. I have had a close and intimate relationship with the Northwest Territories for almost a third of a century. My constituency borders the area. I live in a community which serves as a gateway to the north, and I know many hundreds of people who live there. I think I am in a position to say unequivocally that these people now are ready for complete self-government.

I have some suggestions to make to the minister which he might take into consideration in assessing the virtues of this recommendation. I would call to his attention the situation that existed prior to the establishment of the two provinces of Saskatchewan and Alberta. At that time there was a Northwest Territories Act and a Northwest Territories council, before these two provinces were carved out of the territories which were governed under the Northwest Territories Act.

I did some research in this connection some time ago, when the other bill was before the house and before it had been submitted to the committee. I came across what I thought was a very interesting arrangement. At that time I think there was an elective council of some 22 or 24 members representing various constituencies in the Northwest Territories. The total legislative power resided in the hands of the elective council, but sitting with the council, without any right to vote and only in an advisory capacity, were officials who formed the basis of what would be, in a totally elective system such as we have in the House of Commons and in the provincial governments, a cabinet. I think there was an attorney general. There was a commissioner for public works; there was a commissioner in charge of administration in connection with financial matters. I think there was a territorial secretary and possibly one or two others. I am not able to indicate to the minister whether these officials were appointed by the territorial council. I believe they were appointed by the territorial council, but possibly the minister might be able to check me on this.

[Mr. Howard.]

So far as voting rights were concerned, however, these resided exclusively, as I understand it, within the elected members of the territorial council. Sitting in council with them from time to time would be the members whom you might say constituted an appointed cabinet. In this respect I think probably it would parallel the circumstances which prevail in the United States. I cannot say I agree with it, but it was an arrangement which probably will indicate the feeling.

In this area in the Northwest Territories I can see no reason that the people who live there could not be appointed. I suggest that if they were appointed it should be by the territorial council in conjunction with a commissioner. The officials who would serve in these capacities would from time to time sit in with the council to guide and advise them. but the final decision as far as voting is concerned would rest with the territorial council itself.

• (11:50 a.m.)

Some concern was expressed with regard to the passage of ordinances dealing with the expenditure of money. I suppose the same arrangement exists there as in the House of Commons and probably in the provincial legislatures. In our House of Commons, only if there has been a recommendation from His Excellency conveyed to the house by a member of the Privy Council is the house able to deal with the expenditure of money for a specific purpose.

I assume this is a safeguard which will always be available in the territories, so there can be no anxiety that the territorial council would spend money far beyond amounts it could raise in the territory and would thereby commit the federal government to expenditures beyond which the federal government did not wish to go at any particular moment. I think there is a necessity for some safeguard there, but that safeguard exists; it could be carried on as it is embedded in our own constitution.

I think at this time, in view of the forthcoming observance of our centennial, we should give to the Northwest Territories the right of complete self-government, and I suggest that with qualifications of this kind the minister would be under no handicap. In addition, I think the council would have the benefit of the advice of those people who might be appointed in this way, with the certain provision that they would not be

voting members. I would ask the minister to consider this suggestion.

Mr. Orange: Mr. Chairman, in the arguments advanced regarding the principle of a fully elected council—I think all of us in this house are in complete agreement. There are two points, however, that I think should be brought out at this time with regard to changing the section as it now stands. The first is that the council of the Northwest Territories has a legislative life which expires on March 31 next year. Second, the Carrothers commission is studying the form of government in the Northwest Territories and will be presenting their recommendations to the government of Canada some time this fall. I suggest that for these two reasons any change now would be premature.

With reference to earlier statements that the council has been intimidated by its appointed members in making recommendations and agreeing to the concept contained within this bill, I am afraid I must take objection to these statements. In my experience with the Northwest Territories council, which goes back to 1955, I have yet to see a situation where the elected members of council were voting in opposition to the appointed members. Whenever there has been division, the division has been between a group of elected and appointed members in opposition to a group of elected and appointed members.

These are the two points I wish to make, Mr. Chairman. First, that the council still has 10 months of its life remaining; and second, that the Carrothers commission will be presenting their views and the views of the people of the Northwest Territories on the form of government for the area. Therefore, as was said last night, the amendments before us are housekeeping only to extend the franchise to those people in the eastern Arctic who do not now have it. I believe we will possibly be looking at major revisions of the Northwest Territories Act next year or this fall, which I am hopeful will incorporate the principles enumerated by various hon. members who spoke earlier.

Mr. Dinsdale: Mr. Chairman, last evening at the second reading stage I expressed my support for the amendment that has been proposed by the hon. member for Yukon. General disappointment was expressed last night by all who spoke at the second reading stage, and the hon. member for Northwest Territories has used the expression again, because the legislation before us is merely a housekeeping bill and does not change in any respect the form of government for the Northwest Territories. I think in the proposal made by the hon. member for Yukon we have an opportunity of adding at least a morsel of substance to a bill that is otherwise housekeeping, or we might even call it window dressing.

The hon. member for Northwest Territories has indicated that an amendment of this kind to the bill before us might be premature. I should like to suggest, as I said last night, that the time is long past due when the Northwest Territories council should be an entirely elected body. I remember that when I first assumed responsibility for the Department of Northern Affairs and National Resources I was amazed to find that all the appointed representatives were senior civil servants. In other words the method of appointing members to the council smacked entirely of the old colonial concept that the administration in the Northwest Territories should be kept in the hands of the civil servants. As I recall, the representatives at that time were the deputy minister of national defence, the commissioner of the R.C.M.P., the head of the Indian affairs branch, and similar appointments of that kind, so that it was an entirely non-representative group from that standpoint.

There has been a gradual movement since that time, which is a fairly recent period of Canadian history, in the direction of completely representative government and emancipation from the close control and dominance of Ottawa. These appointments were made for the purpose the minister has indicated, to supply some expertise to the deliberations of the Northwest Territories council through the appointed members. I am sure we all agree, in the light of what has already been said during this debate, that we no longer need to depend on expertise supplied by appointees from without the territory. There has been such a marked leap forward in the economic development of the north—and this applies to the western Arctic as well as the eastern Arctic—that we can get all the skills with reference to public affairs, all the knowledge in governmental affairs, from our own people in the area north of the 60th parallel.

I would say, too, that this applies to the indigenous people in the north. We have seen the appointment of Mr. Ogpik, who represents the Eskimo people, and from my contact with the representatives of the Indian people

in the Northwest Territories I know there are many from that group who could serve well in representing their people on the Northwest Territories council.

• (12:00 noon)

We are now going to include in the council for the first time the eastern Arctic which up until the present time has been unrepresented in the governmental affairs of the Northwest Territories. I am reminded, Mr. Chairman, that we might even have the opportunity, were all members on the council elected, to have the first woman representative on the council of the Northwest Territories. Recently one of the most illustrious members of our Canadian Eskimos has returned to her native community on Baffin Island. I refer, of course, to Mary Panegooshoo who with her husband has now settled at Grise Fiord. I am sure that if she were named as a candidate in the elections to follow the acceptance of this recommendation she might well become the first woman member of the Northwest Territories Council.

I do not believe that we need to say anything further. We all recognize the need for self-government and autonomy in the north and I trust that the minister will accept the recommendation of the hon. member for Yukon that we now seize the opportunity to move one step farther toward this goal in the Northwest Territories.

Mr. Howard: Mr. Chairman, it always amazes me how members sitting on the goverment side somehow manage to let the word "however" creep into their speeches.

Mr. Nielsen: And "but" too.

Mr. Howard: With due respect, that is what we have heard from the member for the Northwest Territories. I do not want to get involved in arguments with him about the correctness or otherwise of approaching matters such as this. I accept fully his declaration that he agrees with the principles we have been advancing in parliament for some years. It seemed to me that he almost committed the minister to introduce another bill to amend the Northwest Territories Act this fall and I would be interested to know whether the minister intends to come back this fall with another amendment dealing with this question of self-government. If the minister will make that declaration it will place the matter before us in an entirely different light. Presumably all that will be involved in this respect is a by-election for the election of additional members to the council for a certain period of office. Perhaps such members may not even have an opportunity to sit on the council because it may not meet in the period of time during which they may be members.

If it is the intention of the government to proceed this fall to introduce a self-government measure in parliament, then this puts us in an entirely different position. I would appreciate it if the minister would clear this up for us. I will pose a direct question to the minister. Is it the intention of the government to deal with this matter this fall?

Mr. Deputy Chairman: Shall the clause carry?

Mr. Nielsen: No. The minister has a question to answer. Surely he can do that.

Mr. Laing: Mr. Chairman, we have had a considerable amount of discussion on this section. I do not know that all of it has been to the point and probably what I am about to say will not be wholly relevant either. This section is an indication of the purpose of the bill. We were told last year and the year before by the then member of parliament for the Northwest Territories that the most grievous injustice of all was the fact that here was a section of the Northwest Territories where the residents in the area had no opportunity to elect members to the council.

Overhanging this entire bill is the fact that within a matter of two or three months at the most we expect the report from the Carrothers Commission with reference to what in their view we should do about the government of the Northwest Territories. I would very much hesitate to introduce an amendment at this time which might anticipate that report. Where I to have introduced such an amendment, I am quite certain that members on the other side of the house would have immediately got up and attacked me because I had introduced such an amendment.

We are now taking care of what has been a manifestation of injustice in the areas of the high Arctic, the east Arctic and Keewatin. We made a commitment to the council last year, and they have passed enabling legislation within their own council to fill these three positions at the earliest date possible. There was no criticism from the former member for the Northwest Territories in regard to appointing members to the council from southern Canada. Indeed, I have

heard him compliment those who were appointed by the government because of the benefit they brought to northern Canada by reason of their previous knowledge and the fact that they knew southern Canadians who had influence in southern Canada.

These members of the council are able to tell the story of the north which so few Canadians who reside in sourthern Canada have an opportunity to tell accurately and, indeed, to induce the investment of money from the southern part of Canada in our north. I would think that for some years to come, though I will be guided by the Carrothers report, it would be extremely beneficial to those residing in northern Canada to have the benefit of that link; I am quite certain there is such a benefit.

My predecessor in office has joined with the hon. member from the Yukon in supporting the suggestion that all of the members should be elected. Let me ask my predecessor in this post whether this ever occurred to him while he was in office.

Mr. Dinsdale: Yes, it was part of the grand strategy for autonomy of the Northwest Territories.

Mr. Laing: Well, I have heard a great deal about grand strategy and vision.

Mr. Dinsdale: By 1967.

Mr. Laing: And in this position I am trying to do something.

Mr. Dinsdale: It could have been done in 1963.

Mr. Laing: Because not only of the protestations with regard to electing members to the council from within the territory but because the denial of the franchise was sticking out like a sore thumb I thought, notwithstanding the impending Carrothers report, that we should take care of this matter now and that is why this amendment is before us. For the first time it will give an opportunity to the elected members of the Northwest Territories council to have a majority of the members on that council.

You may call me out of order now, Mr. Chairman, but I believe I cannot introduce the subject better than on this particular section. I had intended last evening, had I summed up before the committee stage, to tell hon. members that we are concerned and saddened too by the fact that it has been intimated to us by the commissioner of the Northwest Territories that he intends to leave the service some time in 1966. I am referring to Mr. Ben Sivertz who is commissioner of the Northwest Territories at this time. I want to say that I have not met any person whose sense of humanitarianism as applied to people is greater than that of Mr. Ben Sivertz. This quality of understanding and compassion, if you like, has been tremendously beneficial because of the nature of his task in the territories and the people with whom he has to deal.

• (12:10 p.m.)

I have asked him if I may have the continuing benefit of his advice after we receive the Carrothers report. I am glad to tell the house he has consented to make himself available to advise us when that report is received. I am going to suggest that in the light of the impending Carrothers report it would be insulting, I think, were we to go beyond the necessitous points taken care of in this bill. I am going to suggest that I feel we have done very well indeed in seeing to it that all of those residents in the Northwest Territories have the franchise. We are taking a very important step in making the majority of the council elected members from the Northwest Territories.

Again I say I wish more members of parliament knew exactly the problems we are up against in these areas. When members are elected from these areas of the high Arctic, the eastern Arctic and Keewatin, it is going to be extremely difficult at times to bring them together for a council meeting. The sheer physical disabilities of getting a plane in to pick them up are sometimes insurmountable. We have a population in these three new constituencies of about one person per 160 square miles. There are small settlements to which access is difficult at many times of the year.

In so far as these areas are concerned, I am reminded of what Lloyd George once said about Russia. "It is quite easy to get into that country but very difficult to get out of it." This applies to the Northwest Territories at certain times of the year. You can get in there but you may be held up by the weather for some days after you get there. We are doing the best we can under difficult circumstances. I think if you were to ask the elected members of the Northwest Territories Council today what they think of the appointed members from southern Canada they would tell you, do not drop them but continue that policy. We are going to be guided in

these matters by the report of the Carrothers commission.

Mr. Nielsen: The minister has made a valid point, Mr. Chairman, when he refers to asking the elected members of the council what they think about continuing the procedure whereby members are appointed to the Northwest Territories Council. This suggestion was made by the hon. member for Brandon-Souris. He suggested that the matter could be referred to a committee of the house and members of the council could be called. This suggestion was not accepted by the government, but we did not make an issue of that. We thought it would be a useful thing to do. The fact of the matter is that unless the minister can stand up and tell us that all four members of the elected council, representing as they do the views of Mackenzie but not Keewatin or Franklin, have informed him they want to continue this system, then I do not believe we can consider the hypothetical supposition the minister puts before us this afternoon.

The minister and the member for the Northwest Territories make two points with regard to the purported reasons for not amending this section of the bill. The member representing this constituency knows that there are well over a million and a quarter square miles for which there are seven elected members. These men are going to be asked to represent this vast territory. I do not believe the council should be composed of 12 members; I believe the number should be between 15 and 21 in order to have adequate representation. The situation that we and the people of the Northwest Territories are being asked to accept is to have seven elected members represent over a million and a quarter square miles. The five appointed members represent no one. They are appointed to the council but represent no electoral district. Under the legislation as it stands now or as it may be amended now, they still represent no electoral district. It would be compounding an undemocratic procedure if this were so.

We are left with a situation, therefore, in which seven elected members represent over a million and a quarter square miles. I am going to use a phrase that many in this house will understand. If I cannot appeal to their knowledge of the north, let me appeal to their own emotions in regard to their own jurisdictions. I refer to the phrase, "maître chez nous". This is the direction in which we in the north wish to bend our efforts. How can we have more say in our own affairs if we are going to have the government of Canada as some sort of "big daddy" legislature tell us who are going to sit as our representatives. The people who live there want to elect their own representatives and run their own affairs.

The fiscal controls are intact. The commissioner is an appointee of the government and has the power of veto over every measure that comes before council. If the council were wholly elected and did act irresponsibly, which I strongly suggest neither the minister nor the member for Northwest Territories believes would happen, the commissioner always has the power of veto. What earthly excuse, therefore, can remain?

The hon. member for Northwest Territories says that the life of the council expires in March of next year. This is true. However, does this prevent us from amending this section now to make provision for a wholly elected council? I do not believe so. You may either hold by-elections between now and the expiration of the life of the council or this provision for extra seats will be available in March of 1967. The argument is no more valid with respect to a wholly elected representative body than it would be for accepting the amendment in its present form. This amendment provides for three additional elected representatives who either have to take office as the result of by-elections before March, 1967, or when the election is called next year. This argument, therefore, has no substance.

The other argument that both the hon. member and the minister advanced was that we should await the report of the Carrothers commission. Before I deal with that, let me point out that I am sure the hon. member for Northwest Territories did not intend to leave the impression on members of this house that anyone on this side was suggesting the appointed members in the past have intimidated the elected members. No one has made that statement. No one has left that implication, least of all myself. They have served a useful purpose and made useful contributions not only in their capacity as appointed members of council but in the respective areas in which they have served in the public service, commercial or industrial life of the country.

However, this does not justify continuing the procedure of appointing members to what is supposed to be a representative democratic institution, a legislative body representing the people. How can it be representative of the people if the people have no say in who is

going to represent them in the making of the laws? What right has anyone from outside of the Northwest Territories to vote on the imposition of taxes of a territorial nature on the people who live there? What logical reason, quite apart from democratic principles, is there for saying that appointed members from elsewhere in Canada should have the right to impose taxes on people in a jurisdiction in which those members do not even live? It would be like appointing members to the Quebec or British Columbia legislatures from some other area of Canada and giving them the right to impose taxes upon the residents of those provinces. It is not only undemocratic but an invidious, colonial, archaic hangover. I am sure that the minister agrees with these principles.

• (12:20 p.m.)

A word now about the Carrothers commission. Again I emphasize that the men serving on that commission, able men doing a job to which I am sure they are sincerely and wholly dedicated, will undoubtedly provide a report which will prove extremely useful not only to members of the House of Commons but also to those in the Northwest Territories who have the responsibility for planning for their own future. But the argument that we must wait for the commission to report before considering any amendment to the Northwest Territories Act does not hold water, because if the reasons advanced by the minister are valid why are we increasing the council to 12 members? The Carrothers commission may come back and recommend that there be only 10. What then? The Carrothers commission may come back and say that there will not be five members appointed but three. What then?

So if the minister wishes to use the Carrothers commission as an argument, then I suggest it follows logically that he must not touch the section at all or increase the council at all or disturb the proportion of representation on the council. Therefore, Mr. Chairman, I suggest to hon. members that his argument does not hold water.

The minister did not answer the hon. member for Skeena who asked whether it was the intention of the government to introduce, as the hon. member for Northwest Territories intimated was the case, major revisions to the Northwest Territories Act this fall or next year. As the hon. member for Skeena said, this would put a different light on the matter if that were the intention of the government, but I very much doubt that it is. However, the minister should clarify that point.

I too wish to add words of praise for the contribution that Commissioner Sivertz made with respect not only to the Northwest Territories but during his long service in the department of northern affairs. I enthusiastically endorse the genuine compliments which have been paid Commissioner Sivertz who is retiring from the civil service in the near future. I am very gratified, as I am sure all members are, that his services will remain available to the government.

Because of the fact, Mr. Chairman, that the arguments advanced by the other side do not, in my submission, follow logically, and because they are not in keeping with the fundamental rights and freedoms which must exist in any free society purporting to embrace democratic principles, we in this party cannot accept the amendment proposed by the bill. Therefore I move, seconded by the hon. member for Peace River, that:

> Clause 1 of Bill C-146 be amended by deleting all of the words following the word "Territories" in the first line of section "8 (1)" thereof and by adding in substitution therefor immediately following the word "Territories" aforesaid the following:
>
> "which shall be composed of 12 members elected to represent such electoral districts in the Territories as are named and described by the Commissioner in Council".

That wording, for the information of members of the committee, is exactly the same word for word as section 9 of the Yukon Act which makes provision for a wholly elected council such as we have had in the Yukon for many years. I submit it is time that the Northwest Territories should have the same privilege so that the people can elect their own representatives, make their own laws, impose their own taxes, indeed, look after their own affairs as they are entitled to do, with the fiscal restrictions which are inherent in local and federal legislation.

Mr. Howard: Mr. Chairman, apart from the reference the minister made to Mr. Sivertz, which I submit was really not germane to the question I asked him, the minister proceeded to subject us to nothing more than an unctuous lecture on how members of parliament should act and on whether we were in order or not in order. He refused to answer my question, basing his reasoning upon the arguments advanced by the former member for Northwest Territories, Mr. Rhéaume.

It becomes a little silly when the minister, groping for reasons to support his case, has to revert to what some previous government did

or did not do. Each time the government has to resort to the process of pointing an accusatory finger, as the minister did to the hon. member for Brandon-Souris, and ask, "What did you do, why didn't you do this?" it indicates to me the poverty of reason and intelligence that exists in government. Surely the minister can come up with more sensible answers than the ones he has advanced which were based upon the old political difference between the Liberals and the Tories, something which, I suppose, is occasionally a nice exercise but which really has relatively little place when we come to deal seriously with the development of statute law relating to the fundamental rights and freedoms of human beings in the Northwest Territories.

I think the amendment presented by the hon. member for Yukon—I am merely commenting on it in passing—is really subject to the same sort of attack that the hon. member for Yukon made against the provision of clause 1. Part of his argument by way of question was: What would the government do if the Carrothers commission recommended a number of members on the council other than the number proposed? What would the government do if the commission recommended that there be a certain number of appointed members other than the number proposed? I submit that the same sort of argument, if one wants to advance it, can be directed toward the amendment.

I do not think that we in this parliament should approach matters of this sort on the basis of what one thinks about the other's politics, or on the basis of what some previous government did or did not do. We are not legislating here for the past. We are not considering laws which have impinged upon the fundamental rights and freedoms of people in the past. We are concerning ourselves with what is going to happen in the future, and I submit this is the only basis upon which we should reason in considering the bill and the amendment now before us. On that basis and on that basis alone, Mr. Chairman, having a desire to establish self-government, something which everyone has agreed is absolutely necessary and to which no one in this parliament has objected, with this as our basic guidepost there is no alternative but to support the amendment now before us.

• (12:30 p.m.)

Let me say again what I said last night but in other words. If Professor Carrothers makes a report containing a principle envisaging a governing body which runs contrary to our desires, our knowledge and our understanding of democracy, which runs against the grain of self-government, then that principle or proposal should be rejected. However, I do not think Professor Carrothers will do that. We are not concerned about the technical aspects or mechanics of the report, whether Professor Carrothers will recommend 10, 12, 21, 13 or any other number of elected members. We should only concern ourselves with the principle issue of self-government. It is upon that basis that we approach the whole process of legislating for a group of people who have lived for years in a communal state almost approaching that which exists in Siberia.

The idea is to get the job done. At least there is a proposal before us enabling us to take some steps to deal with the matter of self-government for the people in the area. I for one would much rather take large, bold, imaginative steps than the innocent, timid ones proposed in the bill.

Mr. Dinsdale: Mr. Chairman, I rise to endorse what the minister has said with respect to Commissioner Sivertz. I was sorry to hear that the commissioner is ending his active service with the government of Canada. I agree that he has made an outstanding contribution to the north during his term of office.

I believe the reason for his success stems from his background. Mr. Sivertz is an Icelander. For generations the Icelandic people have been identified with development in northern areas generally. I believe his warmhearted acceptance by the residents of the Northwest Territories arises from the fact that he has been able to communicate with them. He has been regarded as one of their own kind. It seems to me that this fact alone should have persuaded the minister to accept the recommendation of the hon. member for Yukon and seize the opportunity to put forward in the government's name the amendment that has now been submitted by the hon. member for Yukon.

I am sorry that the minister did not accept the suggestion made to him. As a result it is very difficult to get the sense of the house on this important matter. I feel that the sense of the house is that the Northwest Territories are ripe for this move forward in the direction of representative self-government.

May I say one more thing, Mr. Chairman. Reference has been made to the activities of the Carrothers commission. I have been interested in reading press reports concerning the work of the commission. They have indicated that the members of the commission in their travels throughout the Northwest Territories have not been receiving representations so much with respect to the structure of government in the north but rather complaints from individual citizens who feel that they have not been adequately represented in the legislative council of the territorial government. Indeed, it seemed to me that the commission members had assumed the role of travelling ombudsmen. This fact alone I think should persuade the government that the time has come to recognize this strong demand, a demand that has increased very much in recent years, for genuine, democratic, representative government.

We shall vote on the amendment put forward by the hon. member for Yukon. I trust that all members of the house who are concerned with advancing the principle of democratic government will be persuaded to vote in favour of the amendment.

Mr. Baldwin: Mr. Chairman, may I make some brief comments before the committee expresses its view on this issue. I listened with interest to the hon. member for Skeena posing a question to the minister. If the minister had felt able to rise and say definitely and unequivocally that within a specified period of time legislation providing completely and without any equivocation for absolute self-government would be introduced and that the council would be composed entirely of elected members, I would have been inclined to accept that.

I think the minister has conceived a genuine affection for the north. Anybody who has had anything to do with this extraordinary and unique country has felt its pull and tug. I know that the hon. member for Brandon-Souris, the hon. member for Qu'Appelle and the hon. member for Calgary North, all of whom at some time have held the portfolio respecting the territories, have felt this pull and tug. I think that this fact brings a degree of non-partisanship and objectivity to this debate. This is what the hon. member for Yukon said and I am sure it is in the mind of the hon. member for Northwest Territories just as it is in my own mind.

Because the minister could not say what I hoped he would say, I am apprehensive about the delay which may take place. In our experience some of the minister's colleagues, who possibly do not have the same objectivity in this and in other matters, have caused delays to take place. Our experience has been that the period between the creative gestation, when a rather weak and watery gleam appears in the eye of one of his colleagues, and the faltering legislation that appears on the floor of the house is very long indeed. The period of gestation might be three, four or even five years.

Mr. Nielsen: It is the old story.

Mr. Baldwin: For this reason I cannot accept as valid the explanation that this matter should await the report of the Carrothers commission.

I should say also, as I think has been said by the hon. members for Yukon and Skeena, that the principle of representative self-government is so firmly and permanently embedded in our philosophical beliefs about government that we cannot question it. As I see it, a vote at this time against the amendment proposed by the hon. member for Yukon will constitute in effect an expression of opinion by the person casting that vote that he does not feel there should be the right of self-government. In effect it would be a vote against the kind of government we have in this country and which I hope we will continue to have for many years.

I do not know the terms of reference of the Carrothers commission. I admit to being in default there. However, I cannot conceive of their being any set of circumstances which would persuade me, and I hope most members of this house, to accept a report containing a provision, recommendation or suggestion that there should not be completely representative self-government. Any such recommendation ought to be divorced from the terms of reference and from the view which the government will adopt.

• (12:40 p.m.)

I cannot accept not having the report as a valid reason for not proceeding at this time and I am therefore impelled to support the amendment put forward by the hon. member for Yukon. I ask all hon. members to bear in mind in their consideration of this question the principle of completely democratic self-government. A vote against this amendment is a vote against this principle.

Mr. Laing: Before we proceed to the vote I should like to correct certain statements which have been made. I want to tell the

committee that the council of the Northwest Territories, including the four elected members, passed a resolution asking specifically for what is provided in the clause we are considering.

Some hon. Members: Hear, hear.

Mr. Laing: It was unanimous. All members, whether elected or appointed, specifically voted in this way. This weighed with us, as did the representations which have been made for a number of years. Statements have been made in the florid language of the hon. member for Yukon who has a tremendous capacity for adjectival alliteration. He talked about terrible colonialistic conditions, as he described them. We found out last night that there is no such word as "colonialistic". It is "colonial".

The hon. member for Skeena, who admits he has never been in the territories—

Mr. Howard: I did not "admit" it. I stated it.

Mr. Laing: —and who was at some pains to tell us he had reservations about speaking on a subject with which he was not familiar, has spoken a great deal since.

Mr. Howard: If the minister wishes to quote me, let him be truthful and do it properly instead of misquoting me to suit his own purpose.

Mr. Laing: I think I am doing so 100 per cent—

Mr. Howard: You are not. You are distorting it.

Mr. Laing: —in accord with what the hon. member said last night.

Mr. Howard: You are not.

Mr. Laing: I want to tell him and other members of the committee that there is a tremendous amount of self-government in the area today. And there is freedom, if you describe freedom in terms of the old relationship of "the King and your uncle". There is probably more freedom in that part of Canada than in any other. I was astonished to see some of the regulations which exist as a result of representations made by the Eskimo people. When I first went to Frobisher I was astonished to find that if anyone required a bottle of Scotch whiskey he had to put in his order on a certain date and did not acquire the whiskey until a month later. They have improved things since. They first got delivery down to four days, I believe, and I understand that now the delay is no more than 48 hours. But people still have to wait 48 hours for delivery after putting in an order. You know, Mr. Chairman, they may have something there. They are probably wiser than we are.

At any rate, there is this kind of domestic, civic regulation reflecting civic administration all over the Northwest Territories. Far from this general claim that we are making rigid rules and regulations in Ottawa and imposing them on the people of the territories, I believe that in many instances the opposite is true.

Mr. Barnett: Mr. Chairman, I admit that my own attitude so far as this bill is concerned has been largely one of willingness to sit, listen and learn, and I am sure it is one which is shared by many members of the committee. The minister has spoken about the endorsation by the territorial council of the proposal in the bill. I wonder whether the council, while it was considering the proposition set out in clause 5 in connection with the proposed new section 19 which the minister himself described as housekeeping, considered the other major change in principle affecting the nature of the government of the territories. Comment was made earlier about the desirability of having expert advice from certain people appointed by the federal government and it occurs to me that given some modification of the proposed new section 19A the present appointed members of the council could in effect be associated with the commissioner as advisors.

The hon. member for Peace River, dealing with the constitutional implications, referred to the relationship of the United States cabinet to the president of that country. These thoughts have been passing through my mind during the course of this discussion and I would ask the minister whether or not the territorial council considered the modification of the new section 19A embodied in clause 5 of the bill when they took their present position with respect to the proposal contained in clause 1.

Some hon. Members: Question.

Mr. Nielsen: No. I am not letting the minister's remarks pass without comment. When I opened this debate yesterday and again today I said that the matters involved here, being matters of far reaching principle, should be discussed in the complete absence of any partisanship.

Some hon. Members: Oh, oh.

Mr. Nielsen: I have been doing that. Members opposite laugh. Let them find one place in *Hansard* where I have injected anything other than a plea for the creation of representative and democratic institutions in the north without any reference to politics at all. I am not speaking as a member of the Conservative party now. I am speaking as a northerner.

An hon. Member: Partisan.

• (12:50 p.m.)

Mr. Nielsen: Partisan in the sense that I am a northerner, yes. How can we in the north feel we are Canadians if we are not given the same kind of rights as Canadians everywhere else are given? That is the plea that I am making for the people of the north today, and it will not do any good to call "question" impetuously and impassionedly because by doing so you are placing the fundamental rights and freedoms guaranteed by democratic institutional government at the lowest possible level. Surely it is important enough for all members of the committee to approach this matter without humour, in all seriousness and without partisanship because politics are not involved here.

There is not one of us on either side of this chamber who will deny the validity of the principle that it is desirable to have representative institutions representing the rights of the people and that only that kind of institution should impose taxes on people. But that is not what we have in this bill. That is what the northern people want, notwithstanding what the minister may feel. His own party member, the hon. member for the Northwest Territories, will tell him that the people of the Northwest Territories want to be represented by a wholly elected representative body.

It does the minister no good to meet this kind of plea with pugnaciousness. The fundamental principle here is one which does not involve partisan politics. A vote against the principle of a wholly elected council is a vote against representative government. Members may shake their heads in exasperation, but that is a fact.

I ask the hon. member for Lotbinière, who seems to disagree with that statement, how he would feel if the province of Quebec had in its legislature appointed members from Alberta and Ontario having the power to tax him and other residents in that province? Is that the kind of principle that we recognize? I suggest it is not and I suggest there can be no answer to the argument.

The minister has stood in his place and accused members on this side of making non-factual statements. The statement I have made just now is a factual statement. Surely it must touch the hearts of all members who sit in this chamber. There can be no justification for someone outside a jurisdiction being appointed to a council and having the power to tax people within that jurisdiction.

Mr. Laing: I am quite certain, in the context of the argument which the hon. member is placing before us now, that he would want the committee to know accurately the extent to which moneys are voted by parliament for that particular area of Canada. We all have a responsibility to the taxpayers of Canada in reference to the amount of money spent there, which is about 85 per cent of the total expenditures in the territory.

Mr. Nielsen: I agree with that. I did not know the exact statistic. As the minister knows, I have written him a letter with respect to this kind of statistic in respect of the Yukon. It is helpful to have the figure but that does not alter the principle. Hon. members are just as responsible for seeing to it that federal grants, subsidies and contributions to all provinces and territories are properly spent.

I choose my words carefully because I do not want to inflame political passion, but we may find that on a per capita basis contributions to certain other areas of Canada are higher. However, that does not alter the fact that it is wrong in principle to have other than elected representatives of the people taxing the people. The fact of the matter is that the council has the power to impose taxes on the residents of the territory. If that be so, surely it should only be the elected representatives of the people, sitting on that council, who should exercise that power. It is wrong in principle to have outsiders appointed to the council given that power. That is the strongest argument I can think of against this situation, quite apart from all the other arguments in support of principles that have made this institution what it is and provincial institutions what they are.

Amendment (Mr. Nielsen) negatived: Yeas, 23; nays, 31.

Mr. Nielsen: There is one more point I would like to make on this clause. The existing Northwest Territories Act requires that the seat of the government of the territories shall be that prescribed by the governor in council from time to time. In other words, the

council is empowered to sit only when the federal government wants it to sit and where the federal government wants it to sit. It has been the habit to hold one of the meetings of the council in Ottawa each year and one of the meetings in the Northwest Territories. This situation is unacceptable.

It may interest members of the committee to know that the Northwest Territories Council is the only legislative body in the world that sits outside its own jurisdiction to make laws affecting people inside its jurisdiction, It is like the legislature of any of the provinces going to the Northwest Territories to hold a sitting and make laws to affect its own citizens.

I am not going to introduce an amendment with respect to this situation but I would suggest to the minister that it can easily be cured by the addition of a subclause reading, "the seat of government of the territories shall be that prescribed by the Commissioner in Council and may, from time to time, be changed by it."

• (1:00 p.m.)

By such an amendment we would be placing the power in the hands of the representatives of the people, inasmuch as there are to be seven elected members, to determine where their government shall meet. There again is a principle with which I am sure the hon. member for the Northwest Territories agrees and which I hope he will support.

The Deputy Chairman: Shall clause 1 carry?

Mr. Nielsen: Will the minister, Mr. Chairman, give the committee the benefit of his observations with regard to the representations I have made on behalf of the people of the north regarding the site of government?

The Deputy Chairman: Shall clause 1 carry?

Mr. Nielsen: I am waiting, Mr. Chairman, for a reply from the minister.

Mr. Laing: Mr. Chairman, I am quite certain the hon. member has introduced a matter which is not covered in any of the amendments which we have proposed in the bill. As I said yesterday, I believe there is at present a lovely little village, Fort Smith, which is called the capital of the Northwest Territories. I am told that representations have been made to the Carrothers commission in respect of a permanent capital. I am not certain this is so, but I have been told such representations have been made and that there may be some observations made by the commission in respect of those views. If not, it will be the responsibility of the council, I assume, to be confirmed by us, to decide on a permanent capital.

It is well known that the commissioner of the Northwest Territories Council has a very small staff here. I have made the statement in the Northwest Territories and make it here that the next commissioner of the Northwest Territories Council is going to become a resident of the Northwest Territories at the earliest possible moment and that an increasing proportion of staff, now under the direction of the Department of Northern Affairs, northern administration branch, will be transferred to the oversight of the commissioner and the council in the Northwest Territories. In other words, I have said I want more government on the ground as rapidly as possible. This will be our policy but we must use some discretion in this regard.

There are many tasks involved in the affairs of the north which now and for the foreseeable future can be conducted far more economically in Ottawa than in some of the extreme areas of the northern Arctic Islands. I am sure my hon. friend is aware that to put up a house which probably costs $15,000 here in Ottawa would cost $38,000 or $40,000 on Ellesmere Island or at Resolute.

I am giving some indication of the problems with which we are confronted. We are engaged in a tremendous number of enterprises. As the hon. member probably knows, we deliver oil to the residents of the Northwest Territories and are pricing it at from 18 cents a gallon to 58 cents a gallon. We must bear in mind the cost of operation and do these things as effectively as we can from here, at the same time giving conviction to the people there that they have their government adjacent and available to them when they want to make representations to it.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Sessional indemnity for members.*

Mr. Nielsen: This clause, Mr. Chairman, is the one which deals with the indemnity and expenses of the members of the Northwest Territories Council, both elected and appointed. My submission simply is that either the members of the Northwest Territories

Council are responsible persons or they are not. If the minister agrees with me that they are responsible persons, then surely they should be sufficiently responsible to have the authority to set the amount of their own indemnity and expenses. As I mentioned in my remarks yesterday, they have their electors to answer to if they abuse that responsibility. So far as the appointed members are concerned, they have the minister to answer to. There is always the inherent fiscal control.

It would be out of order for me to move an amendment but the one I would move if I could and keep within the rules would have the effect of deleting this section entirely. This would have no effect other than to place in the hands of the commissioner and council the power to set their own indemnity and expenses, because by clause 4 of the bill the commissioner and council are given the power to make expenditures of money for territorial purposes.

By the deletion of clause 3 of the bill the effect would be that the commissioner and council would have the power that this parliament is now providing with regard to the setting of indemnities. I take that position. We will get to the wording of clause 4 of the bill in a moment but it has a bearing on clause 3. As the minister well knows, the relevant provision in the Yukon Act is somewhat as follows: The expenditure of territorial funds and such portion of any moneys appropriated for the territory as the commissioner is authorized to spend by and with the advice of council. If that were the wording used in clause 4 and if clause 3 were deleted, the effect would be to place in the hands of the elected representatives of the people and the commissioner the power to set their own indemnity, a situation which I suggest to the members of the committee is the only acceptable one in keeping with the powers and responsibilities of any representative institution.

Clause agreed to.

On clause 4—*Money.*

Mr. Nielsen: With regard to clause 4, sir, I draw the attention of members of the committee to the companion clause in the legislation governing the power of the commissioner and council to make expenditures of money for territorial purposes in the Yukon Act. I find there that the wording I have put on the record is the desirable legislative power which should be given to the commissioner and council of the Northwest Territories.

Clause agreed to.

On clause 5—*Northwest Territories consolidated revenue fund.*

Mr. Nielsen: I asked the hon. member for the Northwest Territories a question after he finished his remarks the other day, Mr. Chairman. I asked him whether he would agree with me that the legislation as it stands now gives to the commissioner and council the power to introduce a money bill and that by adopting the amendments proposed by clause 5 of this bill that right would be taken away. The hon. member for the Northwest Territories did not agree with that proposition. For his benefit and for the benefit of members of the committee let me point out the existing provisions of the Northwest Territories Act in section 19. Section 19 (3), which hon. members will find in the explanatory notes of the bill reads as follows:

> The Commissioner in Council may make ordinances providing for the expenditure of money for territorial purposes—

• (1:10 p.m.)

It goes on to cover other matters which are not relevant to this argument. It is clear, therefore, that under existing legislation the Commissioner in Council has the power to introduce money bills. What are we doing by the amendment? I would ask hon. members to read the new section 19A in clause 5 which is to be found on page 3 of the bill. It states:

> It shall not be lawful for the Council to adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue of the Territories, or of any tax or impost, to any purpose that has not been first recommended to the Council by message of the Commissioner in the session in which such vote, resolution, address or bill is proposed.

I think the hon. member for the Northwest Territories must now agree with the proposition I put to him yesterday. The hon. member shakes his head, indicating that he does not. Nothing could be clearer. The existing legislation allows the Commissioner in Council to introduce money bills. The hon. member must agree with that. The new section 19A in clause 5 of the bill before us would take away that right. Nothing could be clearer. In other words, we move from a situation where the legislative body in the Northwest Territories now has the power to introduce money bills affecting their own affairs, to a

situation where we are taking that power away and giving it to the Commissioner, who is an appointee of the government and who must accept from time to time the instructions of the minister or the governor in council. So in the long run, if the minister or the governor in council does not want any particular money bill placed before the Northwest Territories Council it does not go before that council, and there is no right in the seven elected representatives of the people of the territories to alter that situation.

Mr. Laing: Mr. Chairman, would the hon. member permit a question? Could he tell us how this differs in any respect whatsoever from the severance of the executive power and the legislative power in the legislative assembly of any province?

Mr. Nielsen: This is precisely the principle involved here and the one involved in the Yukon Act which we will be considering in a moment. You have, if I may be permitted to use a colourful adjective, the invidious situation existing in both territories where the executive and the legislative functions are separated. There is no control exercised by the elected representatives of the people over the executive. Therein lies the difference between every provincial legislature and this one. The minister, as a member of the executive of this government, is responsible to the elected representatives of the people in this house. In the Northwest Territories and Yukon there is no responsibility by the executive to the representatives of the people. There is the difference; it is as simple as that.

Mr. Laing: Mr. Chairman, perhaps the hon. member would permit me to make this observation. This provision is included because they are not a province but we are hopefully moving toward that relationship. This is one of those interim situations along the road, if you like to call it such, toward coming to a position where I would hope some day they would have the same kind of government that we have in the provinces of Canada. But the difficulty is the small population in widely scattered areas and the necessity of having in the central government here an immense fund of money to make possible the laying of the groundwork out of which we hope to realize, for them and for us too, their participation as a province some day.

Mr. Nielsen: I agree with the minister's laudable objective but I cannot agree with his arguments in support of denying these rather fundamental principles of democracy to the people who live there. As I said yesterday, there can be no price-tag on democracy. There was just as small a population in 1869—indeed, it was smaller by several thousand—in the province of Manitoba when that province was carved out of the then Northwest Territories. That province, at the time it was created a province, was subsidized by federal funds probably as heavily as are the Northwest Territories today.

I implore the minister to accept that this is not an argument for saying to the people in the north: You are not responsible enough to spend not only your own money raised by taxing yourselves but our money which we contribute to the development, rightfully so, of the north.

Mr. Laing: Mr. Chairman, perhaps the hon. member would permit me to ask one more question and then I have to leave the chamber for a short while. Would he suggest that in the last three years we have made such great progress that these great, democratic, revolutionary changes can now be made whereas they were out of the question three and a half years ago? We have not developed that fast, though I keep claiming we are doing very well there. We are getting a considerable amount of new investment. I ask the hon. member, why was this not done three and a half years ago? I think we are increasing the tempo of development in the right direction, but I believe the hon. member would be the first to agree that all these changes and transitions cannot be made overnight.

Mr. Nielsen: I would be the first to agree with that, by all means. I feel a compulsion to answer the minister in the same vein as he has posed his question, but I have resolved that I am not going to become partisan over this business of the future political development of these two territories. Therefore I will not answer his question, but only for that reason. I could do so. Progress has been made and I am sure it will continue to be made. I am not advocating self-government overnight but I am advocating that we must embark now upon a blueprint, commencing with our centennial year, which will achieve that self-government within the foreseeable future.

It is a retrograde step to adopt this kind of amendment. If the minister sincerely believed in the principle of developing political institutions in the Northwest Territories he would not move from the position which now exists, whereby power is given to the legislative body in the Yukon to introduce money bills,

to a lower level and take that power away, because that is what the bill does. If there is any sincere belief at all that there is to be a gradual, step by step transference of legislative and executive powers to the legislatures in the north, you cannot start by taking away those powers. It is simply inconsistent to do so.

If I could, sir, I would move an amendment which would have the effect of deleting the new section 19A in clause 5 of the bill. I do not believe I would be within the rules in doing so. I will, however, bow to your ruling in the matter, sir.

• (1:20 p.m.)

If it were deleted we would be left with the situation as it now stands in the Northwest Territories Act with the power remaining in the commissioner and council to introduce money bills.

There is one last point I want to make in support of my argument. The commissioner and council in the Northwest Territories have the power now to impose taxes on residents within the boundaries of the Northwest Territories and they have the concomitant power to introduce legislation which would have the effect of an expenditure of moneys by the government in respect of the taxes so raised. By adopting this amendment you are leaving the power in the hands of the commissioner and council to impose taxes, but you are taking away from the commissioner and council the power to spend the revenue that they raise by taxes.

Mr. Barnett: Mr. Chairman, perhaps I might be bold enough to interpose myself for a moment or two as a non-partisan mediator between the arguments advanced on the one hand by the hon. member for Yukon and by the Minister of Northern Affairs and National Resources on the other. As the house knows, I supported the amendment proposed by the hon. member for Yukon which, had it been carried, would have made the council a completely elected body so far as its members other than the commissioner were concerned. I suggested that if it carried it might be possible to have the present appointed members act as advisors to the commissioner. I may say, Mr. Chairman, that I did so in part at least with the proposals contained in clause 5 in mind.

One of the things which strikes me is that the result of the proposals contained in clause 1 and clause 5 is in effect to create a separation between the executive and the legislative parts of the council or at least to move in the direction of such a separation as we understand it in this assembly. I have had some experience as a member of a municipal council. It is my understanding that such councils combine both the executive and the legislative functions in one body and have the authority both to initiate and legislate in respect of money matters.

I am sure that all of us in this house will agree that it is desirable that the executive of the territorial council should as soon as feasible be responsible to the legislative body in the same way as the executive is in this parliament. However, if one accepts the figures given by the minister as to the proportion of federal funds, in the consolidated fund of the territory, I believe that for the time being at least there is some validity to the proposition that through the responsibility of the commissioner to the executive some responsibility should fall upon the members of this house generally who are responsible for levying the taxes upon citizens in other parts of Canada which provide that proportion of the funds. In other words, it does seem to me that in this practical situation and for the time being at least it is in accordance with the principles of democracy that the 85 per cent of the funds provided by the rest of the people of Canada should in some measure be controlled by us who are responsible to the rest of the people of Canada.

I believe it was clear from the remarks of the member for Yukon—I would be disappointed in him if he had not done so—that he was pleading a strong and vigorous case for the early inauguration of complete autonomy. I think this was certainly part of his responsibility as the spokesman in this house for that area of the country. I am not suggesting that the arguments he has advanced are improper. On the other hand, in spite of our lack of knowledge and our ignorance of the area represented by him and the member for Northwest Territories, I think members from other parts of the country have some responsibility to attempt to weigh the various pros and cons of the particular proposals before us at this time.

As I read the provisions of clause 5, while it is perfectly true, as the member for Yukon suggests, that the power to initiate proposals involving the raising of funds or the spending of funds lies in the hands of the appointed commissioner, even though it does not go as far as the member for Yukon and I would

have liked, there is the same power of veto on the part of the elected members of the council provided for in clause 1—

Mr. Nielsen: No.

Mr. Barnett: —over proposals for the raising or spending of funds. In other words, we have no power to initiate proposals in respect of spending estimates but we do have the power if we so wish to disapprove of the proposals which the executive places before us. To this extent at least it seems to me it is a desirable step forward toward separating the executive and the legislative functions of the council of the Northwest Territories, having regard to the constitutional position in the legislatures of the provinces and the parliament of Canada.

Mr. Nielsen: Surely this is a backward step.

Mr. Barnett: I hear the member for Yukon saying that this is a backward step. As I said earlier, I am relating my remarks to my experience in serving on a municipal council where the legislative and the executive functions are combined. As I understand the current situation, this is the position which exists now in that the majority have been appointed members and in effect have been an executive rather than a legislative body.

• (1:30 p.m.)

I feel that we all agree on our understanding of parliamentary institutions, and we are moving in the right direction if we take this step of separation of executive and legislative functions so that there is at least some parallel between the initiating power of the executive and the legislative power to veto. I am quite sure that the minister, the government of Canada and certainly this parliament, to whom the executive is responsible, would be disposed to take a serious look at a situation where the elected legislative council of the Northwest Territories rejected out of hand either the taxing or spending proposals put forward by the commissioner. I am certain that most of us in this house would be inclined to take a look at such a situation. As elected representatives ourselves we might have something to say as to the course of action we thought the commissioner, under direction from the minister and the governor in council, should take in that event.

I suggest that indirectly the legislative council in which the elected representatives have a majority is in a position to take action if they are dissatisfied with the proposals put forward by the commissioner, even though he is appointed, to a greater degree than they have been in the past.

Mr. Dinsdale: I should like to speak for a moment, Mr. Chairman, on the question propounded by the minister. While he was actually putting it to the hon. member for Yukon, this member has, as he has stated, been put in a position where he is serving the general interests of the north during his participation in this discussion. This means he has taken a high level, non-partisan approach. I must say too, from my association with the hon. member for Yukon when I was minister, that he was just as forceful in his non-partisan presentations in those days as he has been in his non-partisan presentations during this important discussion.

The point made by the minister was, why did the former administration not proceed to greater autonomy in the Northwest Territories when it had the responsibility? I can only reply in that regard, as I did earlier today, that we did have a long term plan for the future of self-government in the north. Included in that long term plan, and it was not very long term at that, was a provision for increasing autonomy until the time would be reached when we would be able to proceed to grant provincial rights to both the Yukon and Northwest Territories. The particular target date that was in mind by the former administration was the year 1967. We have focused on the year 1967 for the past several years as the occasion when major breakthroughs could be made with respect to many important functions and activities in this country.

Since we would be celebrating our one hundredth birthday in 1967 it would be particularly important, as you may well realize, for a Conservative administration to mark that occasion with a continuation of the policies of the first Conservative administration under Sir John A. Macdonald which made this nation possible. I am not revealing any secrets with regard to cabinet policy because the then prime minister, the right hon. member for Prince Albert, on several occasions in public statements referred to 1967 as the occasion when it was hoped both the northern territories would have moved a considerable distance in the direction of provincial autonomy.

The minister has made the argument on several occasions that the north is a deficit area of Canada requiring subsidization by the central government. I remind him, and I am

now speaking as a Manitoban, that when Manitoba became a province in 1870 and Winnipeg was declared the capital of that province the total population of the city of Winnipeg was 215 souls. Today, less than 100 years later, Winnipeg has an urban population of some 500,000 people. The philosophy the minister has been expressing today that the Northwest Territories is a deficit area is almost on all fours with the philosophy that was enunciated by the Liberal party back in those early days when we emerged as a confederated nation.

For instance, when the construction of a transcontinental railway was mooted there was opposition because they said that a railway through this trackless wilderness would not even pay for its own axle grease. We have moved far beyond those negative concepts in this day and age in Canadian development. The minister was equivocating on this point. He almost apologized for making enthusiastic statements recently about the great economic potential of the Northwest Territories largely based on another Conservative program, the construction of the Pine Point Railway, which was opposed by the Liberal party in the same terms, that it was a railway that would not pay for itself. We know now what this one example has meant in terms of the economic upsurge in Pine Point. We are going to have a community there in the next three years with a population of 7,000 or 8,000 people.

As I said last night, I think this is an eloquent demonstration of the fact that the critical point of the movement of the Northwest Territories from a position of a deficit economy is not too far removed into the future. The minister has quoted statistics, and I am quoting them from memory, to the effect that the total income from minerals in the Northwest Territories last year was something like $15 million. This year it is $72 million, and projected into 1968 it will be about $115 million. We are moving ahead much more rapidly than we could ever have expected, even in the visionary days of the Conservative northern development program. We are moving ahead much more rapidly in concrete, tangible terms.

Unfortunately we are not setting the same pace in our movement toward greater provincial autonomy. There is agitation coming from the northerners themselves. You are getting a population upsurge in the north which is bringing with it, in addition to the pioneering spirit that has always been part of these people who move north of the 60th parallel, a group of people who are equipped with managerial and administrative skills that are second to none. The people who will be working on the development at Pine Point, for example, are men of considerable managerial and administrative background. They are not going to be happy remaining in a semi-colonial position wtih reference to their own government.

• (1:40 p.m.)

I do not want to prolong the discussion but I heartily endorse what was stated by the hon. member for Yukon. We are taking in this particular clause a retrograde step rather than a step forward. As we have indicated, we cannot move the amendment that the government through the minister might move and which would at least keep the financial situation of the Northwest Territories in the same position it was previous to the introduction of this amendment.

Mr. Nielsen: Mr. Chairman, had the fiscal argument not run off the tracks I would not be rising again, but I must answer a misconception which seems to be held by the hon. member for Comox-Alberni. With great respect to his argument, one cannot endorse its validity. Certainly the Northwest Territories is a deficit area. But so is every other province in the country with the exception of the province from which the hon. member for Comox-Alberni comes, British Columbia, and also Ontario.

Mr. Barnett: Mr. Chairman, may I rise to correct what I consider to be a misapprehension in the mind of the hon member for Yukon. According to statistics tabled in this house during the last session of parliament there was only one non-deficit area, on the basis of federal calculations, and that was the province of Ontario.

Mr. Nielsen: Then that makes my argument all the stronger, and I thank the hon. member for correcting me in this regard. Accepting that, is it any justification for saying that the federal government have the right, for instance, to appoint members to the legislatures of all other provinces except Ontario simply because they are deficit areas? Does that give any validity to the principle that because all these other provinces except Ontario are deficit areas we must not allow those provinces to legislate on money matters until such time as the federal government has approved, through the Lieutenant Governors, money

legislation? That is what is suggested both in the argument of the minister and the argument of the member for Comox-Alberni.

There can be no price tag or restriction, fiscal or otherwise, on the right of the people who are supposed to be represented by a representative legislative body. Either the principle is a valid one or it is not.

What the legislation in effect does is to take away a power that is already there. It compounds an abortion of the principle of representative government. It compounds an error in the thinking of the government and, unfortunately, if the hon. member for Comox-Alberni sticks with his argument in this regard, it compounds the error in his thinking.

I say that because if you are going to accept, on the basis of the fiscal argument that the federal government spends more money in the Northwest Territories than it gets out of it, the principle that (a) the members of the legislative body must be appointed and (b), that they are not going to have the power to spend money which they derive from imposing taxes on themselves, as well as by other means such as federal grants, until such time as the appointee of the federal government introduces such legislation, then you have to impose the same kind of restriction on every provincial legislature in Canada with the exception of Ontario. That is what it would lead to logically.

Sir, argue as one might one cannot abrogate the fact that these amendments, including this which is one of the most important ones, are taking away from the elected representatives of the people the right to spend money derived by way of revenue from taxes which they impose upon themselves. That is what we would be doing if we accepted this amendment.

Mr. Schreyer: Would the hon. member permit a question at this point? According to the hon. member's argument, which I find very persuasive, it would follow that the Yukon and Northwest Territories were as eligible for self-government 5, 10 or 15 years ago as they are today. I would ask the hon. member if he would argue that point as well.

Mr. Nielsen: Mr. Chairman, I have said from the outset of my participation in this debate, and I am going to continue in this course of conduct, that I am not going to be drawn into a partisan discussion, though I am not suggesting that this is the hon. member's intention. I speak as a northerner and I believe—I am sure this belief is held by all members of the committee—deeply and sincerely in the principles of representative government in a democratic institution. I am one who believes that it is wrong to allow the people who comprise an elected body to tax themselves and yet deny them the power to spend the money they raise thereby. That is really the only principle involved here.

I think they are more ready now than they were 10 or 15 years ago to take the necessary steps toward eventual autonomy. And I do not advocate autonomy overnight because it does take time to acquire the skills and experience which go hand in hand with efficient government. In my submission, though this is a personal view, you cannot expect to create a brand new autonomous legislature and to deal with the far reaching implications involved if these people are clothed with the authority to deal, for instance, with the resource of the Yukon River which has the potential to produce twice the hydroelectric output of the St. Lawrence Seaway. Until such time, Mr. Chairman, as that experience and skill are acquired, then we have to move in staged steps toward autonomy.

The point I am making with respect to this amendment is that if we adopt it we are not moving ahead but are moving backward. There is already provision in the existing legislation giving the Commissioner in Council the power to legislate with respect to the expenditure of funds. But this amendment takes that power away and makes it unlawful—they do not use the word "power" in the amendment—for the representatives of the people to legislate with regard to money matters until such time as the appointee of the government brings in that kind of legislation. That is what is wrong with this amendment. It is undemocratic. It is not representative. It hearkens back to the days of George III when people were taxed without representation. That is what is happening here. There is a complete lack of appreciation and a misconception of every fundamental principle of the democratic institution and way of life.

• (1:50 p.m.)

Mr. Barnett: Mr. Chairman, I do not particularly desire to launch into a debate with the hon. member for Yukon which might well endure for the rest of the afternoon. I still feel that my argument has validity and that he cannot have it both ways. He cannot have it that the council of the territories, in its

basic conception, should be an executive body rather than a legislative one but still argue to have it become a legislative body.

I listened to the hon. member for Brandon-Souris speaking, not only as a former minister of the department but as a Manitoban, about the early history of his province and its population when it became a province. He talked of the Conservative policy of expansion in the early days of our country's existence and referred to the railway.

Coming from British Columbia, my own approach is slightly different from his inasmuch as the province of British Columbia came into being in a manner different from that of the province of Manitoba. We were a Crown colony under the situation which he described as dating back to the days of George III. The colonial government, or in effect the executive, had the authority of taxation without being subject to the normal exercise of the veto power of a legislative assembly.

As I recall the population of British Columbia at the time of confederation with the rest of Canada in 1871 was something like 10,000 persons. I believe the figures were adjusted to permit more members than would normally have been allowed to come to parliament. What I should like the hon. member for Yukon to consider is that under that regime when British Columbia was a colony, although the Crown exercised a veto power the province nevertheless was required to depend entirely upon the taxes which could be raised from the few people then in the province.

Although I do not decry the vision of people like Sir John A. Macdonald in bringing confederation into being, I suggest and I hope that the Conservative concept of expansion was very different from that which will be followed in the expansion of the Canadian north today. The Conservatives were content to use the federal authority as an instrument for getting a railway started. They then proceeded to throw the baby out with the bath water. In other words, they gave to a private corporation the responsibility for carrying through the will of parliament, the result being that the returns from that development to a very great extent, went to the private developers rather than toward the real growth that could have taken place in Canada.

There has been some discussion in the house about deficit financing. Here is where my basic philosophy differs from that of the hon. member for Yukon. I hope that there will be a co-ordinated, planned and increasing expansion of the northern area with the resources of the nation thrown behind that concept. I would further say that so far as I am concerned the returns from that investment, to which the Minister of Northern Affairs and National Resources made reference, should accrue primarily to the benefit and future well-being of the Northwest Territories. In other words, I would say that the taxpayers of the rest of Canada will benefit indirectly if the north grows. Certainly nothing more than a return of the initial investment made by the taxpayers generally in this period of deficit financing should be returned directly to the rest of Canada. If by some chance the returns from the north move into a surplus position before the people of that area have the full rights and responsibilities of provincial government as we understand them in other parts of the country, I hope that any such surplus will be put into a trust fund for the people of the Northwest Territories and will be made available to them for their future use in their own development. I hope that will be done when they achieve, as I am sure we all hope they will, full provincial status within confederation.

[*Translation*]

Mr. Mongrain: Mr. Chairman, I think this is another of those quiet debates, which is most edifying for the new members of this house.

I take part in the debate in a friendly spirit, as an eastern Canadian ready to cooperate with northern Canadians to promote a greater prosperity in the country.

It is not every day that I admire the hon. member for Yukon (Mr. Nielsen)—I like him less when he acts the great uncompromising judge—but I believe his arguments yesterday and today concerning the Yukon and the Northwest Territories are enlightening and instructive.

I must say I share his views on almost all points as well as those of the hon. member for Brandon-Souris (Mr. Dinsdale), whose comments were most constructive.

Mr. Chairman, as I believe the minister told us some time ago, when we were discussing a similar bill while studying the results of survey carried out by the Carrothers Commission in September, it is time that the house decide what are its objectives.

I think that when we finish studying the results of the Carrothers survey, we should

consider giving the Northwest Territories and the Yukon the self-government they request and to which they are entitled according to the democratic principle of philosophy in the world. They want to have their own government instead of "taxation without representation".

We know that those territories are not inhabited only by illiterate Eskimos. We know that Canadians who are ready to assume their responsibilities live there also. For instance, I can well imagine the hon. member for Yukon as premier of the province of Yukon and the hon. member for the Northwest Territories as premier of a province which would not be called the Northwest Territories but something else.

Mr. Chairman, could we not set the house a goal? Could not the house agree to the holding next fall or winter of a referendum in those territories to find out what the inhabitants want and if they are willing to see the territories become provinces and assume the responsibilities that such a step entails?

Since there is no doubt that the answer would be positive and affirmative, we might set as our second goal to give Canada an anniversary present in 1967 by adding to it two new provinces: the Yukon and the Northwest.

I certainly do not feel qualified to set up the limits of those new provinces, but I think that, in general, we would be doing something constructive if we supported the objective mentioned a little earlier by the hon. member for Brandon-Souris, namely to give self-government to these territories in 1967.

Once again, Mr. Chairman, I am making those remarks as an eastern Canadian who wants to contribute to the development of Canada by extending a hand to the Canadians in the north.

I will add a personal remark. It is possible that I suddenly developed a sentimental attachment, since I am now a shareholder in the symbolic company which the hon. member for Yukon is busy promoting. I thank him very much for sending me a very impressive certificate a few days ago. I repeat what I said a little earlier. As a lawyer presenting a case such as the one he has been presenting since yesterday, I think we should take our hats off to him and extend to him the cooperation that a Canadian of good will can give another Canadian of good will.

[Mr. Mongrain.]

• (2:00 p.m.)

[*English*]

Clause agreed to.

Clauses 6 to 13 inclusive agreed to.

Title agreed to.

The Chairman: Shall I report the bill?

Mr. Nielsen: Mr. Chairman, I just want to draw the attention of the committee to the facility with which the clauses of the bill have been passed during the minister's absence.

Bill reported, read the third time and passed.

YUKON ACT

AMENDMENTS RESPECTING INDEMNITIES, TRAVELLING EXPENSES, ETC.

The house resumed from Tuesday, March 29, consideration of the motion of Mr. Laing for the second reading of Bill No. C-147, to amend the Yukon Act.

Mr. Erik Nielsen (Yukon): Surely the minister has a statement he wishes to make on second reading?

Mr. Deputy Speaker: I must advise the house that if the minister speaks now he will close the debate.

Mr. Nielsen: I did not realize that. I went over the proceedings which have taken place so far in connection with the bill before us. The resolution stage is reported at page 2844 of *Hansard*. The second reading stage is reported at page 3338 of *Hansard*. There was a debate. Since then the minister has, I know, received representations from the Yukon legislative council either directly or through the commissioner asking in effect that the members of the council be heard on this bill.

I think it is essential that members of the house should appreciate the difference which exists between the system of government in the Northwest Territories and that which exists in the Yukon Territory. The Yukon has had a wholly elected council for many years. The council has seven members. It has no executive power, merely power to act in concert with the commissioner in the passage of legislation. It has no power to introduce money bills. In effect it is a rubberstamp. That is the term which its members use in referring to themselves.

The Yukon has a history of some 68 years of political development. Indeed, the Yukon

Territory was made a separate territory before the creation of the western provinces of Alberta and Saskatchewan, and when searching for a name by which to call the government-appointed representative in the Yukon the term "commissioner" was evolved because there could not be two governors, one sitting in Regina and one in the Yukon Territory.

The Yukon has been represented in this house since the turn of the century and because of varying economic conditions the size of the legislative council has fluctuated from time to time. I do not think the minister would for a moment gainsay the proposition that the Yukon Territory is breaking through not only in the economic field, which at the moment does not concern me, but also in the field of the creation of fully democratic ways of life.

• (2:10 p.m.)

The minister put his finger on the nub of the issue when he was speaking on the bill to amend the Northwest Territories Act, namely, that complete separation exists between the executive and the legislative arms of government. The executive arm of government in the Yukon is in effect an appointee of the federal government of the day. In effect the commissioner, who is the appointee of the minister through the governor in council, administers the Yukon Territory from time to time on instructions of the minister himself. Any legislation that is passed is created by the federal administration, is laid before the council and it is simply asked to rubberstamp it. Nothing can emanate from the council affecting expenditures of money. Notwithstanding the fact that we have been taxing ourselves for decades we have not yet the power by positive legislation to spend a single penny of that money. There is this vast difference in the historic development of the territories. Consequently there is bound to be that same kind of gap existing between the extent of the demand for reform in the Yukon and the extent of that demand in the Northwest Territories.

As the minister well knows, there is a growing and insistent demand in the Yukon for positive and immediate reforms. Unlike the Northwest Territories, the members of the Yukon Legislative Council have thought a good deal about the nature of the reforms that can be brought about in order to achieve a greater degree of executive control.

I might embark at this moment to lay the groundwork for the proposals I will be making by pointing out a few of the more important distinctions between the administration in the Yukon and that in the Northwest Territories. When discussing the preceding bill the minister mentioned the example of liquor in the Northwest Territories. That in effect is the only field in which positive local control—the minister shakes his head in the negative—exists in the hands of the people there. They, for instance, have no control, as we do, over company's legislation. In effect, in the Yukon Territory the legislative power is exactly the same as that which exists in any provincial legislature, with three very important exceptions.

The first of these exceptions is that the council of the Yukon has no power to introduce money bills, and that is the most important. Second, it has no power to legislate with respect to natural resources and, third, it has no power to legislate with respect to the administration of justice. These three areas are omitted from section 16 of the Yukon Act which sets forth the division of powers between the federal and territorial authority legislatively, as does the B.N.A. Act in sections 91 and 92.

The question of the continued separation of the executive from the legislative function has to be faced. For many years, unlike the Northwest Territories, the administration in the Yukon as distinct from the council —because the council has no executive authority—has had the autonomous power to deal with all matters affecting education in the territory, has had the same kind of power with respect to the construction and maintenance of the territorial road system, has the same kind of power with respect to taxation for territorial purposes of the residents of the territory, and has assumed partial administrative authority in the fields of forestry, game and fishery. It also has partial authority in labour matters and in the control exercised over the professions of law, medicine and engineering.

But the members of the council and the people of the territory generally have reached the stage where they require that there be transferred from the federal jurisdiction partial, not whole, executive control. They feel that if they are going to be responsible for the administration of education they should have the legislative power to do so and not be told what to do by Ottawa through the commissioner.

They feel that if they are going to have the administrative responsibility in territorial public works they should have the power to control that area of jurisdiction in a fiscal way through their legislative body. As the minister knows, the northwest highway system, under half of which lies in the Yukon, is to be transferred from the federal Department of Public Works to the territorial government in 1967. This involves the transfer of many hundreds of employees to a territorial civil service that has existed for many years, as contrasted with the situation in the Northwest Territories, and yet though being asked to assume the jurisdiction for the administration of this huge undertaking there is no concomitant power to legislate in respect thereof. So, sir, the administration of the Yukon rests with the commissioner appointed by an order in council of the executive here in Ottawa. The Commissioner in Council has the powers I have outlined.

This House of Commons has the power—and I simply make this point in passing, not anticipating any argument to the contrary—to create provinces out of the existing Northwest Territories. I have said before, sir, and I say again in this house what I have said outside it, that the political problem of the growth from colony to province is analagous to the same problem confronting the nation as a whole with which we have been struggling for 150 years.

There are many who believe we have solved the problem on a national scale but we certainly have not done so with respect to the remaining territories of Canada. What are we in the Yukon, through the elected representatives of our people, asking for? We can look at the emerging nations of the world. We have seen the Congo obtain self-government. We have seen the problem in Rhodesia, which we condemn because of the political basis on which it rests; yet we deny in our own country the very things that we condemn in others.

Here are the elected representatives of the people of the Yukon asking for more say in their own affairs. They are not asking for the complete say. They are not asking for complete autonomy. Yet the government's attitude is: You cannot do this. But the government condemns that kind of approach on an international basis.

• (2:20 p.m.)

The case I make with respect to the Yukon is a much stronger one than that which has been presented with respect to the Northwest

[Mr. Nielsen.]

Territories. It is stronger because of the fact that the Yukon has existed for almost 70 years as a separate entity. During those years it has gained a tremendous fund of experience and skill in the legislative function. It has gained a good deal of skill and experience with regard to the administrative requirements concerning the assumption of legislative control. Its economy is on the upsurge and is increasing each year; great things are in store. In addition, the wholly elected members of that council have made the specific request of the minister that, as the elected representatives of the Yukon representing the people of that territory, they be heard by the standing committee on northern affairs and national resources before this bill passes. Is that request going to be denied? Are we going to say that the Yukon territorial council can exist at the pleasure of the government of the day but we are not going to listen to anything they have to say, we do not want to hear them. I feel sure that is what we in effect are doing if we turn down their request.

So that there may be no doubt concerning the feelings of the people themselves who live in the Yukon on this question, as expressed by the members of the council elected by those people to represent them, I am going to place on the record a resolution which was passed last Friday, May 6. I commend it to the attention of hon. members. The wording of that resolution is as follows:

Resolved that the commissioner be requested to forward to the Minister of Northern Affairs and National Resources for his earliest consideration the accompanying resolution of this council:

Resolved that the Minister of Northern Affairs and National Resources refer Bill C-146, an act to amend the Yukon Act, to the standing committee on northern affairs and national resources in the House of Commons to enable the council of the Yukon Territory to present the case for the amendments inherent in or consequential to or otherwise necessary to realize the philosophy implicit in the following changes now requested of the minister:

May I ask hon. members to remember that these are the wholly elected representatives of the people of the Yukon speaking.

(a) The council of the Yukon Territory to be known as the Yukon legislative assembly;

(b) The number of members of the Yukon legislative assembly to be increased to 15 and the term of the assembly to be increased to four years;

(c) The advisory committee on finance to be replaced by an executive committee of not less than five members with full executive powers in the following classes of subjects:—

(i) Education, health and welfare

(ii) Territorial resources including land

(iii) Public works
(iv) Justice and corrections
(v) Revenue and finance
(vi) Forestry
(vii) Fishery
(viii) All residual executive and administrative functions including industry and labour controlled or performed by the federal government.

and the legislative assembly to have exclusive legislative jurisdiction to make ordinances for the government of the territory in relation to the above classes of subjects in addition to the legislative powers existing under section 16 of the Yukon Act.

This, as I have explained before, is parallel to sections 91 and 92 of the British North America Act.

(d) The number of members of the Yukon legislative assembly to be increased from 15 to 21 or such greater number as the Yukon legislative assembly may determine at the expiration of twelve years from the implementation of amendments to the Yukon Act implicit in this resolution when all necessary legislative and other changes are to be effected to constitute the province of Yukon with the same legislative and executive powers as those which exist in the provinces of Canada.

(e) The members to be given all necessary authority analogous to that in provincial legislative assemblies to establish their indemnities and allowances and to have all the requisite powers to establish or participate in a pension plan or group health plan;

(f) Section 24 of the Yukon Act to be repealed;

Section 24 is word for word the same as section 19A in clause 5 of the bill to amend the Northwest Territories Act which we first passed and which makes it unlawful for a member of council to introduce a money matter.

(g) The status of the Yukon legislative assembly to be enlarged so that it shall have full capacity to attend all interprovincial and federal-provincial conferences and to participate in resulting discussions and agreements;

(h) The Land Titles Act—

Which is now a federal statute.

—to be repealed in respect of the Yukon Territory and replaced by a land titles ordinance;

(i) All Crown land to be held in the name of the Crown in right of the territory.

I ask members of the committee whether that sounds like a resolution prepared by people who have neither the capacity, the ability nor the responsibility to look after their own affairs. It is not implicit in that resolution that the council is asking for self-government and autonomy immediately. What they as the representatives of the people of the Yukon are proposing is that we embark on a blueprint for the future, a blueprint which they have targeted 12 years hence and which will result in the Yukon becoming the eleventh province of this country.

The council is asking for an increasing measure of executive control. It is implicit that the elected legislators of the people are asking for some measure of control over the executive, which in effect comprises the treasury benches of this house, the Department of Northern Affairs and the minister. They want more than the mere negative control which they exercise now over supply. They could do the same as did the legislative council in the territory of Assiniboia before it became the province of Manitoba. When that territory was fighting for provincial status under the leadership of Frederick Haultain they refused supply for six months which caused the whole of the civil service to go out and cut wood to make a living.

They do not want to be negative in that fashion. This session they have refused to pass the justice estimates because they disagree with certain policies of the administration with regard thereto. They want partial, positive control of the executive function. That is not too much to ask. Almost all of these classes of subject matter over which they are requesting executive control are now administered in the territory. Therefore it is a very short step to provide legislative control over executive action in these fields. The administrative force already is there.

• (2:30 p.m.)

These direct representations have been made to the minister and through him to the government and this House of Commons. This is the only way available to the people of the territory to make known their views. Therefore—and even if it was not required of me I would say this—I endorse 100 per cent the representations they are asking us to take cognizance of. I therefore move, in keeping with the wishes of the wholly elected legislative body in the Yukon representing the people there:

That Bill C-147 be not now read a second time but that the said bill be referred to the standing committee of this house on northern affairs and national resources.

I have taken the trouble to have the motion prepared in both official languages, which I am sure would be appreciated by the legislative council of the Yukon.

The Acting Speaker (Mr. Rinfret): Order. May I ask the indulgence of the house for the Chair to take this matter under advisement?

A decision on the amendment will be given later after consideration.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I apologize for moving back and forth in the chamber but I was anticipating, as a result of a call from the minister, that the hon. member for Northwest Territories (Mr. Orange) would try to catch Your Honour's eye. I do not intend to speak at any great length on the bill before us. First of all, I should like to say that I entirely support the contentions of the hon. member for Yukon (Mr. Nielsen) in this regard, notwithstanding the fact the hon. member and I may have some differences of opinion regarding a certain Klondike festival. As a member from the city of Edmonton and the province of Alberta, I understand the particular problem which the hon. member for Yukon has been underlining with great eloquence in respect of the administration of the Yukon and the aspirations of the people there regarding their right to administer their own affairs.

Without repeating what the hon. member has said, I believe there are a number of points that we should certainly consider. I do not intend to be personally offensive to the minister or any of the people charged with the administration of the Northwest Territories and the Yukon, but—perhaps the minister will correct me if I am wrong—I believe I was in the area of the Northwest Territories long before the minister and perhaps even before the hon. member for Northwest Territories was there. Even in those pre-war years there was the feeling that Ottawa was so far away, so paternal, that if there was a wrong way to do a thing Ottawa would find it.

An hon. Member: Why was there that feeling?

Mr. Lambert: I do not know. I am not being offensive to anyone, but that was the attitude at that time. I have since discovered that the same attitude exists among the people of the Northwest Territories who come down to Edmonton, as they do, and I have certainly found this attitude among the people of the Yukon when I have been up there. It has also been conveyed to me when people from the Yukon have visited Edmonton.

The people in these territories are not at all happy with long-range administration. We in Alberta are particularly conscious of this when it comes to the question of national parks. I will not say any more on that subject. The minister knows that I and the majority of the people of Alberta differ with him and his officials with regard to parks policy. This is because of the long-range paternalism of this government which, frankly, may seem to be nice and tidy for those in the inner core but for those on the fringe who are the subject matter of the decisions it is both irksome and reprehensible.

[The Acting Speaker (Mr. Rinfret).]

As the hon. member for Yukon indicated, this is not a cry for autonomy. This is a reasoned approach. Surely to goodness there is a great case in this day and age for as much freedom of action as it is possible to give. It is not like the old days when the only contact with the Yukon was through going by rail to Vancouver, then by boat up to Skagway and in from there. There was no immediate contact in those days. Now one can reach these territories as quickly as a fast airplane can get there. Communication by electronic means is even quicker. There are a number of things as to the details of this bill that I personally wish to question, but I would reiterate the plea of the hon. member for Yukon that this matter should be referred to the committee.

If this were done, appropriate representations could be made and in particular the members of the council and people they represent could be heard in regard to this measure. Some people may say: We will put these amendments in and see how they work; then we may deign to amend the law. In reply to such a suggestion I would say that the minister has opened up the act at this time. He has introduced a number of amendments that have been standing by for a long time merely because it was not desirable to open up the act. I know enough about administration in this regard to realize that there is always reluctance to open up any act and there must be a most compelling reason before this is done. Therefore, let us not say we will open up the act again in the very near future to take care of anything which may have been missed or something that is not working in this connection. That would be merely living in a fool's paradise. Let us put this question before the committee, in order that they may hear representations. If this is the desire of the council and people of the Yukon, what on earth is the great hurry in pushing this bill through without it being considered by the committee? With those words, Mr. Speaker, I support the spirit of the amendment.

The Acting Speaker (Mr. Rinfret): Order. The Chair is now ready to give a decision on whether the amendment proposed by the hon. member for Yukon is receivable. As we are debating second reading of this bill may I refer hon. members to standing order 77 which reads as follows:

Every public bill shall be read twice in the house before committal or amendment.

• (2:40 p.m.)

Therefore, as we are on second reading and have a motion before us I believe that this amendment is not receivable.

Mr. Lambert: Mr. Speaker, with the greatest respect, on the basis of your ruling it would then appear that no bill can be amended on second reading or prior to second reading. With the greatest respect, that certainly is not the tradition of this house.

Mr. Bell (Carleton): May I add, Mr. Speaker, with great respect, that there are a great many bills, before standing committees of this house which have been improperly referred if your ruling is correct.

Mr. Nielsen: May I suggest, Mr. Speaker, that there are precedents in the proceedings of this house for taking precisely the course which we are taking now and it is evidently within the rules to make a motion in the words which have been submitted to Your Honour.

The Acting Speaker (Mr. Rinfret): I also refer the hon. members to paragraph 6 of citation 202 of Beauchesne, fourth edition, which reads:

It is not an amendment to a motion to move that the question go to a committee.

Mr. Nielsen: That is not the whole citation though, Mr. Speaker.

Mr. McIlraith: Yes, it is.

Mr. Nielsen: Mr. Speaker—

The Acting Speaker (Mr. Rinfret): Order, please. The amendment reads:

That Bill C-147 be not now read a second time but that the said bill be referred to the standing committee of this house on northern affairs and national resources.

Mr. Starr: Mr. Speaker, on the point of order, I know that in a co-operative way many things can be accomplished in this house satisfactory to all members concerned. I wish that the government, particularly the Minister of Northern Affairs and National Resources, would consider the suggestion which has been made in the amendment. I realize that possibly this could have been done if there had been prior consultation with the minister.

I had an experience recently where the Minister of Labour agreed with me that a bill in his name be referred to a standing committee because ample opportunity is given there to those who wish to make representations and probably a greater degree of flexibility in discussion is allowed. While this process is in effect I believe this house can engage itself in some other way and thereby proceed with the business of this house before us which has to be considered. I believe a great deal of the time of this house would be saved if such a concession were made by the government in this case.

I would appeal to the government. Even though Your Honour has ruled this amendment out of order and there is some dispute as to the ruling, nevertheless if the government felt at this point that they would be agreeable to sending this bill to the committee for representations I am sure this would be welcomed by those who have a direct interest. I am sure that the members of the Yukon council would be glad to have afforded to them an opportunity to present their case in respect of the bill. After all, this bill does represent something very vital to them because it will affect their very interests, their functions and their financial position.

Surely under those circumstances and in all fairness they should be given an opportunity to present their case and put forward their own ideas and recommendations on this bill. It would also give an opportunity to the government to state their position more clearly and effectively and there would be a greater opportunity to do so in a standing committee than in committee of the whole house. Therefore I would ask the government to consider its position. If the suggestion is agreed to we can go on with other business we have before us which has to be considered.

Mr. McIlraith: Mr. Speaker, I am sorry but I am not quite clear with regard to the precise stage we are at. I am not clear whether the amendment has been ruled out of order or not. If it has not, I would want to reserve my right to argue that it is out of order and give authorities in support of that position. Has the amendment been ruled out of order?

The Acting Speaker (Mr. Rinfret): Order, please. May I inform the Minister of Public Works that the amendment has been ruled out of order.

Mr. Lambert: But for the reason you gave?

Mr. McIlraith: I was going to suggest, if it meets the wishes of hon. members, that I be allowed to move the adjournment of the debate at this stage. I am not prepared at the moment to agree that the bill, after second reading, go to committee. I am not prepared at the moment to say whether or not the government is agreeable to it being referred to a committee. If it were agreeable, I would move the adjournment of the debate and we can then immediately proceed with the forestry estimates.

Mr. Lambert: It is not debatable.

Mr. McIlraith: That is why I did not formally put the motion for the adjournment of the debate before finding out if there is any consensus against it.

• (2:50 p.m.)

Hon. W. G. Dinsdale (Brandon-Souris): It is not often, Mr. Speaker, that I take part in these discussions on procedural matters. At this particular juncture of our discussion I think the issue is so important that I should like to make some suggestions and comments. I recall that in so far as the proposed amendments to the Northwest Territories Act were concerned we were faced with a similar situation. We made suggestions to the then house leader, the hon. member for Bonavista-Twillingate, that we thought it would be in the best interests of the business procedures of this house if the bill which sought to divide the Northwest Territories could be referred to the standing committee. In this way it would have been possible for hon. members to hear representations directly from the northerners affected. This procedure was adopted then and before the bill was read the second time it was referred to the standing committee. The results were rather significant inasmuch as we discovered that the contents of the bill were not necessarily in the best interests of the people of the Northwest Territories.

With reference to the present bill, No. C-147, I presume that the reason the amendment was ruled out of order was a certain weakness in the terminology. If that is the case, then perhaps we might get around that difficulty by submitting another amendment that would deal with the terminological difficulties. The reason I am most concerned is the disappointment that was felt, I think on all sides of the house, with reference to our handling of Bill No. C-146. It was our feeling that this bill should be referred to a standing committee. A decision has been made, and that has not been possible.

Mr. McIlraith: I wonder if I could ask the hon. gentleman a question? When he says that has not been possible, may I remind him I just asserted that we wanted to consider whether or not that was possible. I was raising that point when I made way for the hon. member because I thought he was going to express an opinion upon whether or not that should be done. I said I would have the adjournment of the debate moved at that time so that we could consider whether or not to refer it to a committee. I just have not had an opportunity yet to consider whether it should or should not be referred to a committee.

Mr. Dinsdale: As I understand it, the leader of the house was going to put forward a motion that this debate be now adjourned.

Mr. McIlraith: Yes.

Mr. Dinsdale: We seem to be in a bit of difficulty here because, as I understand it, the Speaker has indicated that the proposed amendment is out of order. Perhaps we can get around this—

The Acting Speaker (Mr. Rinfret): Order. The Minister of Public Works, on behalf of the government, has expressed a wish that the house should adjourn—

Mr. McIlraith: The debate.

The Acting Speaker (Mr. Rinfret): —that the debate should be adjourned. Such a wish should be expressed in the form of a motion which could then be considered by the house. The hon. member wishes to move a new amendment, and I think we should clarify our position.

Mr. Robichaud: I move that this debate be now adjourned.

Mr. Nielsen: I rise on a point of order, Mr. Speaker. The hon. member for Brandon-Souris has the floor and is speaking on the second reading of this bill. I submit that the Minister of Fisheries is not in order in attempting to keep the hon. member for Brandon-Souris from moving an amendment.

In order to get around the difficulty I suggest that the hon. member for Brandon-Souris move his motion and after he sits down the adjournment of the debate might then be moved if that is still the wish of the government. In this way the government will have both the question of referral to a committee and the motion itself to consider.

Mr. Dinsdale: Thank you, Mr. Speaker. The house leader has taken a reasonable attitude in this regard. If I may be allowed, I should like to put the motion before the house. It will resolve the difficulty with which we are confronted. I move, seconded by the hon. member for Ontario (Mr. Starr):

That Bill No. C-147 be not now read a second time but that the subject matter of the said bill be referred to the standing committee of this house on Northern Affairs and National Resources.

Mr. Robichaud: Mr. Speaker, I move the adjournment of this debate.

The Acting Speaker (Mr. Rinfret): Is it the pleasure of the house to adopt the motion?

Motion agreed to.

SUPPLY

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

DEPARTMENT OF FORESTRY

1. Departmental administration, $1,121,200.

Mr. Starr: Mr. Chairman, surely the Minister of Forestry is prepared to give us an accounting of his stewardship of this department in glowing terms and give us an opportunity to hear from him personally what his plans are for the future, what policies he has introduced during his term of office and about the expenditures before us for 1966-67.

[*Translation*]

Mr. Sauvé: Mr. Chairman, we finished last night a most interesting discussion on some points of the Department of Forestry policy on rural development.

On opening the debate on the estimates of the Department of Forestry for the year 1966-67, I shall restrict my remarks to the department, its operation, its development program and some of its achievements.

• (3:00 p.m.)

The department, as we know, was created in 1960 by combining together some services of the Department of Agriculture and the Department of Northern Affairs and National Resources. Slowly, these two services were co-ordinated and finally joined together. So much so that, during 1964, we were in a position to present a plan for the complete reorganization of the department, both on a regional and a national basis, that is we have tried to regroup the services of the Department of Forestry on a regional basis and we have established a certain number of national institutes in Ottawa and Sault Ste. Marie.

The reorganization was successfully carried out and all regions are now operating normally and the various institutes of the Department of Forestry are proceeding with their operations.

We are on the point of announcing for each of the areas, an advisory committee which will include representatives of the provincial departments of forestry, representatives of industry, universities and forestry organizations in each of the seven regions established by the Department of Forestry.

Up to now, we can say that we have maintained existing services. But last year, we have suggested, subject to cabinet approval a six-year development plan for departmental services. We expect shortly the final approval of the authorities for these development projects which mainly involve a 100 per cent increase in forestry researchers, especially in applied research, and a sizeable increase in department facilities, both in the Ottawa and the Sault Ste. Marie areas. We hope, within six years, to double the personnel and the material facilities of the department.

This has become a necessity because forest industries in Canada have grown extensively in the last few years. Provincial governments are asking us increasingly to undertake forest research projects called applied research; industry is asking us to concentrate our efforts increasingly on the elimination of certain types of forest diseases. Because of all this, we must increase the services of the department.

As you are aware, the jurisdiction of the Department of Forestry is very limited under the B.N.A. Act. Forest management comes under provincial authority only. Throughout the years, however, provincial authorities have agreed that the federal government should undertake research work in the fied of forestry. Through the Department of Forestry, the federal government limits its research in the field of forestry to basic and applied research.

The department has an excellent reputation in Canada and throughout the world. Scientists in the western world as well as the

eastern world follow its work in basic and applied research. We are constantly in contact with forestry departments and universities everywhere in the world. Scientists from various countries work on their own projects in our laboratories and some of our public servants do the same in foreign countries. We stand very high in international circles. This is due especially to the research work which was undertaken by the Department of Agriculture and which is still continuing. In June, the Sixth International Forestry Convention will be held in Madrid, where more than 20 of our researchers will present papers; this forestry convention is sponsored by the F.A.O.

[*English*]

There are in certain parts of Canada difficult problems to solve in the forest industry. One of the most urgent which affects both the forests in British Columbia and in Newfoundland is the balsam woolly aphid. So far, while research has been conducted in Canada and the United States into the problem, we have been unable to find a solution to it. There has been a special crash program started this year in British Columbia and we hope to be able to find some solution to eradicate this disease, which seems to attack trees in a way which makes it impossible for the forest industry to cut the wood and use it.

We also have in many parts of Canada specific diseases which the federal government is combating. We have special programs in New Brunswick and in the province of Quebec. Generally speaking, these diseases have not increased and we have been able to stop the spread of certain tree diseases. But they always remain a danger and much of our effort in the department is devoted to the prevention of disease or the sickness of trees.

In the department there is probably the largest concentration of Ph.D's and masters of science in any department of the government of Canada. These people are doing wonderful research and I would want to seize this occasion to praise their work. Many members of this house have come in contact with our researchers in their own provinces, and they know the quality of the work being done in our department.

I mentioned earlier that we have a large expansion program which will shortly be under way. We will announce the program soon so that the universities can prepare to train the scientific personnel who will be required by the department over the next six to seven years. Generally speaking we have had no trouble with recruiting enough scientists to assume the responsibilities required in various laboratories across the country. The turnover in the department is not very large; it is quite normal and we are fortunate in having so many devoted servants across the country.

The reorganization of the department has gone well. There have been a few problems here and there over the location of the headquarters of the branches, but so far nothing too serious. We are proceeding with a special forest inventory and land capability survey in Labrador and Newfoundland. We are also proceeding under the other program with the Canada land inventory which covers all provinces in Canada. We have a shared-cost agreement with the provinces which has been in existence for the last five years. About $8 million of our budget is devoted to this item in the estimates. We do not know what will be the future in this field; much depends on the results of the federal-provincial conference on fiscal arrangements this coming fall.

These, Mr. Chairman, are the few remarks I wanted to make on the presentation of my estimates. When the estimates for last year were discussed in February and March I sought the occasion to make some remarks relating to the work of the department. It is a small department in relation to many others. As we have been discussing in the last three days the ARDA program I would like to emphasize this particular aspect as far as our work in the department is concerned.

The Department of Forestry is also responsible for the feed grain assistance program. A bill will shortly be introduced in the house—it is already on the order paper—which will propose the creation of a feed grain assistance act. A similar act was to be introduced by the previous government. It was on the order paper on February 6, 1963, which was the day after the Tuesday the government was defeated in the house. Therefore I hope hon. members on both sides will support this bill which the house will have before it for discussion in the near furture.

The department also administers the Maritime Marshland Rehabilitation Act which deals with some local problems in the maritimes. We have proposed to the provinces an agreement, signed by the three maritime provinces of New Brunswick, Nova Scotia and Prince Edward Island, whereby by 1970 the maritime marshland rehabilitation

will disappear and the provinces will assume the responsibilities covered by the program.

Generally speaking, Mr. Chairman, the department has had a good year. We expect to begin our expansion this year and by 1972 we should have doubled our personnel and facilities. I expect hon. members of the house will have some comment to make on the administration of the department, and I will be grateful for any suggestions for improving its work. These are my introductory remarks, Mr. Chairman.

• (3:10 p.m.)

Mr. Aiken: Mr. Chairman, I am sure the minister hopes the discussion on his estimates will be as brief as his own introduction. There are, however, a few items I wish to discuss with him. I am sure that before the main estimates are completed we shall have answers to these questions.

With respect to item 1 of these estimates, I am sure the minister will agree with me that the setting up of this department by the former government was a reasonably expeditious act which has brought excellent results to the economy of Canada. The department actually was set up following extended hearings before the mines, forests and waters committee respecting the forestry branch, as it was then, of the Department of Northern Affairs and National Resources. It became quite obvious during the course of those hearings, at which I attended, that forestry, which provided one of the main exports of this country, and which was merely one section of a department of government, actually deserved more serious attention than it was then getting.

It appeared quite obvious that the main shortcoming was in the question of research and co-ordination of provincial effort. As a result, the department was set up under the ministry of the hon. member for Victoria-Carleton, who now sits near me in the house.

As the minister has pointed out, research is the main aspect of that government department's work. I should like the minister to reply to questions concerning research centres. With regard to that subject I should like to ask him two questions. First, are there plans to expand research laboratories throughout Canada, under this department? Second, is use being made, to its fullest extent, of provincial facilities? We have heard the minister say that the provinces are beginning to rely on the federal department's research laboratories for much of their own technical research information. As I said, I should like to know whether this is being expanded as a strictly federal aspect of things in all parts of the country, and whether use is being made of existing provincial facilities.

The minister mentioned a couple of examples of disease. He did not mention one that is possibly much more serious to the public at large, and I refer to the Dutch elm disease. This disease has been taking a terrific toll of trees in most of the eastern provinces. While the disease has largely affected ornamental trees, it has moved into the forestry industry, and I know that great concern is being felt about its effects. I should like to ask the minister, if he would, to tell us what success has been achieved in combating this disease, and whether research is continuing to find some answer to this very serious problem.

On the question of exports, would the minister bring us up to date on plywood matters? We have had problems in Canada with respect to plywood, both as to its importation from other countries at very, very low prices, making it difficult for local producers to compete, and also as to its export into the United States market, where we have also had difficulty. I should like the minister to report to the committee on this particular subject. That is something which is very important to those of us who live in parts of the country where plywood is produced.

I turn for a moment to the question of feed grain assistance, which the minister mentioned. If the terms of the bill the minister is introducing are the same as the ones the former government introduced, I think he will find ready support for it. However, rumour has it that certain changes are being made in the approach to this problem. If so, I think he may find some opposition to certain sections of the bill. The minister mentioned it in passing; I do so, likewise.

We do not intend to delay the passage of the first item of the estimates. That item has served a very useful purpose in the economy of this country. We can see the results in the balance of payment figures. On a great many of our industries we lose money. However, the forest products industry maintains a favourable balance, and we are all looking forward to its being one of the continuing assets of the future, forestry being a renewable resource. If proper care is taken of our forests, we shall be able to continue with our exports.

I hope the minister can answer some of the questions asked. There will be other questions as we proceed to other items. However,

those are all the general remarks I wish to make.

Mr. Herridge: Mr. Chairman, I am very sorry to have been unavoidably absent from the chamber when the minister introduced his estimates. When I heard they were before the house I promptly left my constituents and came down. I want to compliment him, as he is a minister with ideas. While we do not always agree with his application of ideas, he does put forward something that we can at least consider. I think he puts forward some progressive measures. I also wish to express my appreciation of the work done by the staff of the forestry branch, both in the forest products laboratory and in the field. I have known many of them for a good number of years.

I am wondering if there is any difficulty in this department's obtaining the staff it requires to undertake the necessary research, both in the laboratory and in field operations. If there are any staff shortages at the present time, could the minister explain to the house the reason why those shortages prevail? I also want to know what co-operation exists between federal and provincial governments, the universities, and industry with respect to the planning of research, and what these persons who are particularly interested in development and research consider to be the most important aspects of research to be undertaken at any given time. I should like the minister to point out one or two examples of research being carried on in particular fields that will be easily recognized by the greater number of people engaged in and interested in the development of the forestry industry.

• (3:20 p.m.)

I should like to know what is being done with respect to diseases and pests, and on what basis research into those subjects is planned. Also I want to know what is being done with respect to fire prevention, and with respect to land inventory and forest inventory that the minister mentioned. I should like him to give us some idea of the type of agreement reached between the federal government and the provinces for carrying out any one of these projects, particularly those connected with forest inventory and land inventory.

I would also be interested to know the extent of the co-operation which exists between the provincial governments and the department, as well as between the Department of Forestry and the Department of Industry, especially with regard to research aspects of this work. Let the minister also tell us what arrangements he has for co-operation with organized labour particularly in the field of conservation and the promotion of a proper regard for our natural resources.

I wish now to direct the minister's attention to one aspect of policy which in the opinion of several of us has not received sufficient attention from his department. It may seem strange, coming from a pragmatic socialist, but I have in mind particularly the private ownership of forests by individuals or by small companies. I was recently at a meeting where this matter was the subject of considerable discussion. It was generally agreed that a clear definition of policy was needed from both federal and provincial governments on the management of private woodlands.

We think this type of development is coextensive with the development of the economic family farm and that it should be encouraged by both levels of government. While the discussion to which I referred was taking place a good many persons expressed the opinion that there had been a notable absence of any expression of interest in this phase of resource development on the part of the federal and provincial departments directly concerned. I should like to hear the minister's views on this question.

This brings me to the subject of the literature published by the department, expecially by the forest products laboratory. I wonder whether this literature is reaching as wide a segment of our population as it should. I have followed this work for 20 years. It is excellent work and I believe it is necessary that it should be undertaken. I have a great deal of respect for the staff which is undertaking this. I knew Colonel Jenkins personally. He settled in the Shuswap lake area about the same time as we did in the Kootenays. He has always been interested in this problem. I am not sure that this literature is reaching as many people as it should. I presume industry is getting it, particularly the smaller companies and corporations. But why not make it available to chambers of commerce, trade unions and similar bodies to give them some idea of what is being done?

I found the Department of Agriculture was putting out an excellent publication indicating the protection which is being afforded to the consumer by the work of the department.

But distribution of this literature is extremely limited at the present time and I suggest that the publications distribution of the Department of Forestry should be reviewed to make sure we are making the best possible use of the staff's talent.

I have one other suggestion to make before I resume my seat. This subject has become something of a hobby of mine, Mr. Chairman. I made a most moving appeal to the Minister of Industry in this connection and although it moved him temporarily, he is not moving forward at all on my suggestion. This has been in my mind for three or four years. It arose by my meeting a group of students from overseas who had come to this country and were given a tour in order for them to gain an understanding of the development of industry, natural resources and other aspects of our social and economic life. I found they were returning without any final conclusion to this tour which was, naturally, very informative.

Then again I have met a large number of young people who are not particularly desirous of pursuing an academic career, though they are well able to make a contribution in the natural resource field. They do not wish to become doctors of philosophy or masters of science, but they are quite capable of attending a technical or vocational training school. I think it would be a good idea if we could set up a Canadian college of conservation to fill the need which exists here. I am not suggesting anything which would involve a large expenditure. If I had the building of it—and I would build one myself if I could afford it—I would choose a suitable location near a pleasant lake, surrounded by woodland. The staff would not number more than half a dozen. The faculty would be recruited from the universities and departments on loan; persons interested in soil and soil conservation would come to give a course of lectures for a week or two. Water resources, wildlife and similar subjects would be dealt with in the same way. Those foreign students and those Canadians who would like to undertake work of this kind with a view to employment in the civil service or with private companies would, after a year, say, at the end of this training, be given a diploma in conservation —something to indicate that they had absorbed the philosophy of conservation and had undertaken to apply that philosophy in the context of practical affairs in Canada and elsewhere.

When the minister replies I hope he will tell us what he thinks of this idea. I find I have a good deal of support for it among very important Canadians. I repeat, I am not suggesting anything which would involve very large expenditure. The college would have accommodation for not more than 50 people, maybe living in log cabins and accommodation of that sort. I believe a foundation of this kind would provide an opportunity which would be welcomed by overseas students as well as by a large number of young Canadians who are willing to serve in the natural resource field.

• (3:30 p.m.)

Mr. Leboe: Mr. Chairman, I shall detain the committee for only a few moments, but as one who one way or another has spent 28 years in the forest industry, naturally the activities of the Department of Forestry are of great interest to me. The forest industry, and forestry resources are of great interest to Canadians generally because they produce a great share of the actual wealth which we possess. In the province of British Columbia it is often stated that over 60 per cent of B.C. revenue dollars are wood dollars. Because of that we are interested in what is happening in the forest industry, and what affects our industry also affects other areas of the country which depend to a great degree on the lumber and timber industries.

I would like to take this opportunity to pay tribute to one of the great men of our times for his work in connection with forestry matters. I speak of Hon. Ray Williston, Minister of Lands, Forests and Water Resources in the province of B.C. Ray Williston is a man of great ability, a man of boundless energy, a man who applies himself with a diligence that is seldom found in any individual human being. He has worked very diligently in B.C. to get a sustained yield program in operation.

Bringing a sustained yield program into being is a painful process and many people are hurt during the development of such a program, but Mr. Williston has handled the B.C. program in a way unparalleled in Canadian history. He has introduced the program throughout almost the total area of B.C. as painlessly as it is possible to do so.

One of the bright spots in his career was his introduction of what is known as the pulp harvesting area. The principle of the pulp harvesting area has allowed a great expansion to take place in the pulp and paper

industry in B.C. without taking anything away from the production of lumber, and this was one of the great feats of the provincial minister.

I would like to know from the Minister of Forestry how closely he and his department are working with the B.C. Research Council. Some years ago at the B.C. Research Council headquarters in Vancouver I saw some samples of pressed cedar wood. All through the northern and central areas of B.C. there are very large stands of what is known as decadent cedar. I understand from the B.C. Research Council that this type of cedar has its own binding quality. No resins or glues are needed in order to make a pressed board out of the pulp which is manufactured from the cedar tree. It is also my understanding that the rot in the decadent cedar does not reduce its binding qualities, and that a certain amount of rot in the tree is beneficial in the process of producing a pressed board.

With the advent of large amounts of electric power produced by hydro development I can foresee a most outstanding and productive industry in the central interior of B.C. resulting from the use of what is now a drug on the market, namely decadent cedar. As I say, there are huge cubic volume quantities of this wood in the province, sufficient to launch a very large industry.

The samples I saw at the Research Council headquarters were some of the most beautiful pieces of pressed wood I have ever seen. The colour varied from a very dark to a very light, according to the intensity of heat applied in the process. I would like to know what the minister and his department are doing in co-operation with the efforts of the B.C. Research Council in this field.

The forests of Canada could provide a wonderful opportunity for the employment of thousands of people who may lose their jobs, due to automation and technological advance. With the production of more electric power from natural gas and other resources, much arduous hand labour will disappear. This will mean that we shall have to find places where more people can be gainfully occupied, and I do not know a better place than out in the great forests of our country, cleaning them up, getting rid of decadent and diseased trees, clearing windfalls, opening up access roads for the prevention of forest fires, and damming small rivulets so that pumping stations can be set up in case of fire, with great volumes of water readily available to quell the flames.

[Mr. Leboe.]

According to a press release the Department of Forestry has reported that it has acquired the services of one Mr. Benson from the province of B.C., to undertake a total land survey of Canada. I notice that Mr. Benson was connected with the B.C. provincial wildlife branch, and I would judge him to be highly qualified for the task that lies before him. I certainly wish him well. He has one of the most important tasks that could be undertaken, because I do not think anyone can overemphasize the importance of the timber, lumber pulp and paper industries in Canada.

In conclusion, Mr. Chairman, I wish the minister well in his work. He will find us ready to co-operate with him at any time. I personally am greatly interested in his department because, as I said, of my 28 years close association with the lumber and timber industry.

• (3:40 p.m.)

[*Translation*]

Mr. Allard: Mr. Chairman, contrary to some interventions in this house in the past three months, mine will be short and concise but I want to go one better on the last words of the hon. member for Kootenay West (Mr. Herridge) when he congratulated the Minister of Forestry (Mr. Sauvé) for his excellent work and particularly when he described him as a man with ideas.

Having witnessed the work and the behaviour of the various ministers in this house over the past three months, Mr. Chairman, I am perfectly in agreement with the member for Kootenay West when he recognized that the excellent work of the member for Îles-de-la-Madeleine and his gifts should mark him, as a government discovery, for a more important and more responsible portfolio than forestry.

French Canadians have often been charged with lacking the qualifications to handle important departments. The important and capital federal departments are notably finance and trade and commerce and, this year, we had three French Canadian members from Quebec who were in a position of fill these posts competently, namely the present Minister of Forestry, the forthcoming minister of manpower (Mr. Marchand) and the Minister of Mines and Technical Surveys (Mr. Pepin). In spite of the high competence and qualifications of these three French Canadians, the present government has them restricted to truncated departments. Part of the Department of Agriculture and part of the Department of Northern Affairs and National

Resources were taken to form the Department of Forestry and the responsibility for it was given to a highly competent man who could be Minister of Finance and who could possibly settle the ideological conflict between the present Minister of Finance (Mr. Sharp) and his predecessor, the hon. member for Davenport (Mr. Gordon).

We have the hon. member for Quebec West (Mr. Marchand) who is shortly to be minister of manpower, a department made up in part of the Department of Labour. Here is another highly qualified member and, as a French Canadian, I am proud to proclaim it in this house.

Another member, the one for Drummond-Arthabaska (Mr. Pepin) is also most qualified.

In spite of this contribution from the province of Quebec which Frnech Canadians have made to the federal administration, the present government is content to appoint these valuable men to mainly administrative duties instead of opening to them the important portfolios such as finance, trade and commerce and industry.

These are the opening remarks I am making very sincerely and dynamically, because if the present conflict between English and French Canada is to be settled, let us stop the pretty speeches and appoint French Canadians to important posts.

Now, about the Department of Forestry—

The Acting Chairman (Mr. Rinfret): Order. I just want to point out to the hon. member for Sherbrooke that the house listened of course with great interest to the remarks he made about French representation within the various federal departments, but I think it is my duty to remind him that we are now considering the estimates of the Department of Forestry and nothing else but the estimates of the Department of Forestry.

Mr. Allard: Mr. Chairman, I thank you for your kind words and especially for allowing me to express my opinion as a prelude to the few questions I wanted to put to the minister. In short, I would suggest that the representative for Îles-de-la-Madeleine be taken out of the forest and appointed to an important department, because he has all the necessary qualifications, just like the two other members I have mentioned.

I will only put two questions to the Minister of Forestry, because I have to catch a train in a few minutes. I listened carefully to his short speech and I know he can answer those questions. He said that his department conducted a lot of scientific research in the field of forestry. I should like to know whether there are provincial scientific research services in the Canadian provinces? Are there such services in the ten Canadian provinces? Does the Department of Forestry of the province of Quebec have a scientific research service? What I am trying to find out is whether there is any co-ordination in the field of scientific research in forestry, in order precisely to obtain better results?

My second question is this: are those provincial scientific research services keeping in touch and working with the Department of Forestry in this field?

Mr. Ricard: Mr. Chairman, I do not know whether the hon. member for Sherbrooke (Mr. Allard) has any reforestation problem in his constituency but, after his laudatory remarks about the Minister of Forestry (Mr. Sauvé), I am sure he does not have to worry about it.

Like the hon. member who spoke before me, I am very pleased with the success obtained in the house by the Minister of Forestry, and I think a large part of the minister's success is due to the fact that he is in an interesting position. He heads a department created by the former Conservative government. He is responsible for the administration of ARDA and will introduce the bill concerning feed grain. Finally, he has the responsibility of carrying on the work so ably started under the former Conservative government.

No doubt that influenced greatly the results obtained so far. I hope he will not change, because he has a very human and open way of dealing with problems and he undoubtedly enjoys the co-operation and good will of all those he works with.

The forest is one of our main industries. It is, so to speak, the basic industry which, for many years, complemented farming. That proves the importance of paying a lot of attention to the forests, to protect our forests which are a great source of income.

All necessary precautions should be taken to protect them as much as possible. In his speech, the minister mentioned that his department's jurisdiction was very limited and that it just had to deal with the various provincial departments.

I know that there is always room for discussion and an exchange of views there, but I know that with his well-known tact and

patience he will succeed in getting good results from efforts made to co-operate with the provinces, so that this industry, this natural resource, will be protected as much as possible. I know that his work will meet with success.

I will probably not have the opportunity next week to discuss his bill on feed grain when it is introduced in the house. I would therefore like to say now that this legislation is necessary, that the farmers have been hoping for it for many years. Our farmers are less dependent on unscrupulous dealers now than they were in previous years.

• (3:50 p.m.)

It is still very likely that the cost of feed in winter will work out against the farmers. That is why the farmers welcome the steps being taken and I am sure that the minister who made a complete study of that matter will give that legislation all the consideration it deserves.

The farmers often have to get rid of their cattle because of the high cost of feed and grain to fatten it.

It is a well-known fact that the former minister of agriculture, the present member for Qu'Appelle (Mr. Hamilton), had included in his program that particular matter of bringing the price of feed grain down, so that the farmers could go in for cattle breeding. We have to import our meat from western Canada and it seems to me that there would be here a very interesting market for the eastern farmers, as far as cattle breeding is concerned, if they could get feed grain at a better price.

I am sure that our farmers will consider those openings with satisfaction and I ask the minister to give that matter his full attention.

Mr. Laprise: Mr. Chairman, as the estimates for the Department of Forestry are before the house, I should like to take this opportunity to make a few remarks. Yet, before coming to the heart of the matter that interests me, I wish to point out to the house that I do not fully agree with what the hon. member for Sherbrooke (Mr. Allard) said about what the Minister of Forestry (Mr. Sauvé) is worth.

I agree with him that he is a good minister, a competent man; but as far as giving him a more important department is concerned, I feel we need good ministers everywhere.

I do not approve of trying to increase the prestige of other ministers at the expense of the Minister of Forestry.

[Mr. Ricard.]

I feel, even though the minister himself, at the beginning of the debate, seemed to apologize for the relatively lesser importance of his department, that the department is most important and that we should give it all our attention.

What worries me most with regard to the Department of Forestry is forest fire protection. I know the minister and his officials watch very closely everything that is related to forest protection.

On the other hand, I wonder if enough is being done in this field. Our country is a great exporter of forest products. We must see to it that we do not become an importer in the near future.

Forest products are used for three main purposes, the most important of which are paper-making and construction.

Two curses threaten our forests with depletion: forest diseases and forest fires. A while ago, the minister told us that, in this connection, research was intensive and that the results were rewarding.

Still, I doubt that we are doing enough to prevent forest fires.

I urge the minister to increase the means to protect our forests against fires, for instance, by educating the people who go out into the bush, by giving foresters the tools and instruments required to prevent forest fires that are caused in many ways.

That is my chief concern and that is what I wanted to bring to the attention of the minister this afternoon.

[*English*]

Mr. Barnett: Mr. Chairman, I think I am correct in saying that the present Minister of Forestry is the third minister to hold this portfolio.

Mr. Sauvé: The fourth.

Mr. Barnett: I am told he is the fourth. I was going to say that perhaps the fact that the present minister is from the province of Quebec, and my impression was that his immediate predecessor was from the province of British Columbia, and I believe I am correct in saying that the original holder of the portfolio was from the province of New Brunswick—

Mr. Sauvé: The member for Charlevoix held the portfolio for just a few weeks before the election in 1963.

Mr. Barnett: In any event, my point in making reference to the geographic area from

which ministers holding this portfolio have come in the short time the department has been in existence, since 1960, is that it could perhaps be considered symbolic of the fact that the forest industry and the forests of Canada are a very important natural resource that extends from one side of Canada to the other.

I suppose that in discussing the estimates of the minister one could launch into an exposition of the importance to our entire economy of the forest products industry, its value in regard to exports, and in this connection to our external trade balance, and that sort of thing. However, I believe these facts are fairly widely appreciated in the house and indeed by the Canadian people, and that little purpose would be served by venturing into this area in any major way in the discussion of these estimates today. Having said that, Mr. Chairman, I should like to suggest to the committee and the minister that the work of this department and what it is doing is perhaps much less well known and understood by the Canadian people, in part I think because it is a new department and in part because of the rather specific jurisdictional field of the forests and the forest industry.

• (4:00 p.m.)

I am aware of the fact that when the department was established it was not created out of whole cloth, but it was in part at least a consolidation of some existing efforts of the federal administration in Ottawa. If I am correct, I believe the research elements of the present Department of Forestry were carried on through the Minister of Agriculture in the days before the department was established.

As one examines these estimates he becomes aware of the fact that they are limited, as I understand it, to two basic fields, one the conduct of research programs and the other a program of assistance under agreements with the provinces in the forestry work, which is constitutionally considered to be a provincial responsibility.

I must say, Mr. Chairman, that coming from the province of British Columbia where this industry is the major one in our economy, I find myself much tempted to launch into a field of discussion which perhaps more properly could take place on the floor of the provincial legislature and where the whole question of the management, the development, the harvesting, marketing and manufacturing of our forest products very properly is a subject for extensive debate.

I had intended, Mr. Chairman, to avoid yielding to that temptation entirely in view of the constitutional jurisdictional division, until I listened to the remarks made a little earlier by the member for Cariboo. As I listened to him, it seemed to me that he could more properly have been making his remarks on the floor of the legislature of British Columbia, in view of his laudatory description of the work being done by the minister of forestry of British Columbia, Hon. Ray Williston. Since he has opened up this question, I would like to make some comment, Mr. Chairman, and I would make my comment in these terms, that while most of us from British Columbia recognize that Mr. Williston is a member of a provincial administration with considerable abilities and energy, nevertheless he does follow a policy in the management of our forest industry in respect of which there are some very grave differences of opinion. I would suggest from my point of view that Mr. Williston is simply perpetuating a basic error in his approach to the management of the forests of British Columbia which was originally committed by the coalition government formed by the Liberals and Conservatives of that day. I would suggest that the perpetuation of this basic error in policy is one which has worked both to the short run and the long run detriment of the interests of the people in British Columbia in their forest heritage.

Mr. Patterson: We do not look at it in that way.

Mr. Barnett: As the hon. member says, some of them do not look at it in that way. I may say in reply to the interjection by the member for Fraser Valley that, unfortunately for him a large part of the forests which were once in his constituency were long ago logged off by the old cut-out and get-out method. So perhaps he has not had as much opportunity in observing at first hand what is going on in respect of the management of our forests as I do over in my own constituency of Comox-Alberni.

Having said that, Mr. Chairman, I would like to dwell for a moment or two on the approach we are taking to the consideration of these estimates. I believe the minister will recall that the other day the member for Timiskaming raised the point that the estimates of the Department of Agriculture have been referred to a standing committee of the house for consideration, and pointed out to the minister that very closely associated with

agricultural matters were considerations revolving around ARDA, and the section of the estimates in his department that come under the heading of rural development.

As far as I am concerned, I am happy that today the discussion has confined itself so far to a discussion of the estimates of the Minister of Forestry, and has not gone into the whole area of the ARDA program. Perhaps we can expect this to a certain extent because of the discussion within the last few days on a bill. However, I felt at the time that there was some merit in the proposal put forward by the hon. member for Timiskaming. While I realize that it is difficult to draw hard and fast lines between the various departmental activities, I would like to supplement that proposition by a suggestion of mine. I know the standing committee which has been set up is known as the standing committee on agriculture, forestry and rural development, but as a member of the standing committee on fisheries, to which the current estimates of that department have been referred, I would like to suggest that in many ways there is a very close overlapping between the considerations involved in the estimates of the Department of Fisheries and those of the Department of Forestry. I say that, having in mind particularly the kind of operation which is being conducted by the federal Department of Forestry where the whole question of the research program into the control of forest pests is involved.

Also involved is the question of assisting the provinces in opening up forest access for the purpose of fire control and forest inventory, and the basic considerations of land use. Indeed I may say, Mr. Chairman, that only at the last sitting of the committee on fisheries, when we were dealing with the estimates of the fisheries research board, some of us in the committee were asking questions of our research scientists who were present before the committee about the correlation between the research programs of the Department of Forestry and those of the Department of Fisheries.

Therefore I would suggest, Mr. Chairman, that the minister give serious consideration to having his estimates relating specifically to forestry referred to a standing committee, where those estimates can be examined in a way similar to those of the Department of Fisheries. In making this suggestion I go back to the first point I raised, and that is that I believe there is too little understanding on the part of the members of the house and of the people generally of the value of the programs which the federal Department of Forestry are conducting.

I freely admit that I have only a very hazy knowledge of the programs myself. However, from my experience as a member of the fisheries committee I do feel that in this field, as indeed in other fields, where the activities of qualified scientists are involved, there is a special value in the members of the house who are interested having the opportunity of sitting across the table from those who are conducting the programs, and to hear from them some explanation of their activities and the replies they give to questions which may be in our minds.

• (4:10 p.m.)

I hope, therefore, when the program for the consideration of estimates is being organized for the next fiscal year the minister and the government house leader will keep in mind the idea that this segment of the estimates should go to the standing committee on forestry. I would be almost inclined to say we should have a standing committee on fisheries and forests, because of the overlapping areas of activity which, in my view, is involved. I believe this suggestion would fit in very well with the suggestion made by the hon. member for Timiskaming, that members who are particularly interested in the agricultural field should have an opportunity of examining the rural development estimates in conjunction with the consideration of agriculture.

I recognize that there is an association between forestry and rural development. At the moment, I am not arguing that it is illogical that the Minister of Forestry should have the rural development administration under his jurisdiction. In spite of my temptation to pursue further the question of how the forests of British Columbia should be managed, which was raised by the hon. member for Cariboo, I will restrain myself and perhaps find an opportunity in some other form for discussing that question with him. I shall await the other items of the estimates, when perhaps we can ask questions about the operation of the research program and the nature of the program covered by the agreements with the provinces.

[*Translation*]

Mr. Choquette: Mr. Chairman, I should like to ask the Minister of Forestry a question

which is not related to his departmental estimates. I just want to ask the minister whether he has any plans for Lotbinière county, particularly at St. Sylvestre, in the upper part of the county, close to the Beauce, whether such plans are likely to be implemented soon.

I shall add in conclusion, just like the hon. member for Chapleau (Mr. Laprise), that I do not quite agree with the views of the hon. member for Sherbrooke (Mr. Allard). On the contrary, I think the Minister of Forestry is doing a wonderful job in his department. Besides, as he is the one responsible for the main offensive against poverty, I believe we need a man of his great talent to assume such responsibilities.

Besides, I would add that I am rather sceptical—here, I probably disagree with the minister—but I am sceptical about those who build up arguments concerning the hierarchy of ministers within the cabinet.

I believe that, by the very fact you are a member of the federal cabinet, you are called upon to play a major role, whether you are in Finance, Forestry, or a Minister without Portfolio; I believe that any member of the cabinet is an influential man, capable of playing a major role in the administration of this country.

Therefore, the minister has my good wishes for a long career in the Department of Forestry and I hope that all his projects can be implemented on a short-term basis.

[*English*]

Mr. Aiken: I know the minister would like the first vote to be passed, but I wonder if he would answer the several questions that were raised?

Mr. Sauvé: Yes. In my introductory remarks I mentioned that over the next six years we expect to double the material facilities of the department and to double the staff. This is an indication that we are trying to cope with the problem of research which is required by the extension of the forest industry of this country. We are in close relationship with the provinces. There are two provinces in which forest research is conducted on a provincial basis, namely British Columbia and Ontario. The province of Quebec has indicated its intention of creating a research service, but so far it is only in the planning stage.

We have very close relationships with all the provincial departments of forestry, but especially with the departments of forestry in British Columbia and Ontario. In fact, in Ontario our research facilities in the Toronto metropolitan area were in a building owned by the provincial Department of Lands and Forests. One of the reasons, not the main reason, we had to locate at Sault Ste. Marie was that the Department of Lands and Forests of Ontario required the building we were occupying on their ground at Maple.

The hon. member for Parry Sound-Muskoka mentioned the Dutch elm disease. I did not review all the research we were doing in the department, but there are a number of our people who are working on this very serious disease. So far, no effective and cheap method of fighting the disease has been found. There has been a report in newspapers recently that there is a special technique of infusion in the soil by which one could get rid of the disease or cure the trees which were infected. This method has been known by the department, and in fact has been tried. It has not been as successful as reported in the newspapers, and it is a costly method of fighting the disease.

The hon. member also discussed the problem of importing plywood in relation to the United States market. This problem does not fall within the jurisdiction of the Department of Forestry, since imports and exports are the direct concern of the Department of Trade and Commerce. The hon. member might want to refer to the problem when the estimates of that department are before the committee.

The hon. member for Lotbinière asked me if we have any plans for the radar station at St. Sylvestre in his riding. The Deputy Minister of the Department of Forestry went to St. Sylvestre with the hon. member for Lotbinière.

• (4:20 p.m.)

[*Translation*]

Mr. Chairman, we hoped at that time to take over some buildings to open a research centre for the prevention of forest fires. Unfortunately, these projects did not materialize, because there were not enough of us to occupy all the buildings on the radar base. Other federal or provincial departments would have had to move into other buildings. We were ready to take over two or three, but we could not take the responsibility of administrating the whole base. I think the Crown Assets Disposal Corporation has sold the buildings, so that we will not be able to operate there, as we had thought at one time.

[*English*]

The hon. member for Comox-Alberni mentioned the possibility of referring the estimates of the department to a standing committee of this house at the next session. This is a very good suggestion. It might have been possible to make this arrangement this session if there had been time, but I understand that the committees already have a heavy agenda and because of certain procedures in this house it was felt we could not refer the estimates to a committee this year. This might be possible next year, and they could be referred either to the committee on fisheries or the committee on agriculture, forests and rural development. I would welcome the opportunity to explain in detail, with the assistance of members of the department, every item of the estimates.

[*Translation*]

The hon. member for Chapleau (Mr. Laprise) mentioned that one of our main problems in Canada is the prevention of forest fires.

From the administrative point of view, the problem is rather difficult. Indeed, only provincial governments have jurisdiction over forest administration. There have often been discussions between officials of the Department of Forestry and those of the departments of lands and forests of the various provinces. But we have to confine ourselves to research for the prevention of forest fires.

On November 29, 1965, we issued a press release which showed that, for the year ending October 31, 1965, losses due to forest fires were the lowest in 37 years. This considerable improvement of the situation should not be attributed to the Minister of Forestry. I say no such thing; nevertheless, the number of forest fires last year was considerably lower.

In fact, we have created in Ottawa an institute for research on the means of fighting forest fires. We do not have power of coercion over lumber companies. We know what must be done to eliminate risks in the bush, but we do not have the authority to demand anything of lumber companies, to force them to clean up the forests after timber operations or to take other steps to fight forest fires efficiently. All this comes strictly under provincial jurisdiction.

The member for Sherbrooke (Mr. Allard) asked me whether there are provincial research services in forestry. There are some in British Columbia and Ontario, and the province of Quebec intends to set one up. These provincial services work in close co-operation with the federal research services in forestry.

[*English*]

The hon. member for Cariboo mentioned that he had been connected with the forest industry for 26 years. He also referred to the work being done in British Columbia by the Minister of Lands, Forests and Water Resources of that province. I know the minister, Mr. Williston, and saw him recently. I have had meetings with all ministers of lands and forests across Canada. In fact, I make it a point to pay a visit to each of the ten ministers of lands and forest and ministers of agriculture who are responsible for the ARDA program. Once a year I visit each of them in their own capitals, meet their officials and discuss with them the relationship between the federal Department of Forestry and the provincial departments of lands and forests, which in each of the 10 provinces is excellent. We have been fortunate in that the work which we do is essential to the departments of lands and forests in each of the provinces; and we do have to work in co-ordination with them. We have relations, especially in the province of British Columbia, with the British Columbia Research Council and the B.C. forest industries council of the province.

Just recently, as a result of an agreement between the British Columbia forest industry, the provincial department of lands and forests and the federal Department of Forestry, we were able to sign a special agreement to conduct research on the woolly aphid problem which I mentioned earlier. This year we are committing $150,000 to research, and this is just the beginning. This was made possible owing to the close co-operation between the Department of Lands, Forests and Water Resources in British Columbia, the forest industry, the B.C. Research Council and the federal Department of Forestry. As soon as the minister and Mr. Hoffmeister, president of the B.C. forest industries council came to Ottawa to discuss the problem, we were able to agree at once on the importance of dealing with this disease and undertook to establish a research program which might well have a beneficial effect.

In fact, two weeks ago I was in Victoria in the laboratory at one of these beautiful new buildings to witness the research being done by our people. I found the subject completely fascinating. The woolly aphid is a very small insect. You can find 3,000 of them in an area of one square inch, so you can imagine the

damage which can be done to trees and how easily they can become infected. This problem is affecting parts of the forests on Vancouver Island and also, surprisingly, forests along the west coast of Newfoundland in the region of Corner Brook, where we have established a laboratory which devotes much of its research to the problem of combating the woolly aphid.

The hon. member for Kootenay West discussed the problem of personnel. I mentioned in my introductory remarks before the hon. member came into the house that we have been able to recruit most of the personnel needed. The problem is not so much one of recruitment of personnel as of research facilities. We need to expand our buildings. We now have a large program underway, part of which has been approved—the remainder will be approved in a few months—as a result of which we will be able to double our physical facilities in the Department of Forestry in the next six years, increasing by 100 per cent the technical staff and research staff presently employed by the department.

In each of the seven regions of Canada in which we have established headquarters we are about to announce the creation of a consultative advisory committee which will consist of representatives from the provincial departments of lands and forests, forest industries and associations, and universities. Their function will be to advise our forest laboratory in a particular region on the fundamental and applied research which should be conducted. In a few weeks I hope to announce the first of these advisory committees for British Columbia.

Recently I spent a week in British Columbia, Alberta, Saskatchewan and Manitoba discussing the problem with people from the provincial governments and universities who are familiar with the industry. We are now about to announce names.

The Canada land inventory is proceeding well. All the provinces have signed the agreement. This is a project which over the next five years will cost about $20 million. It is research with a very high scientific and technical content and is proceeding well. There are some problems to solve, such as the interpretation of aerial photography and transcription of all information for purposes of easy consultation.

In Manitoba we recently signed a research agreement to put on a computer or similar machine all the information we have, so that in a matter of seconds any province could receive answers to any question relating to land inventory.

• (4:30 p.m.)

The problem of the private woodland operator is a problem that comes under the jurisdiction of provincial authorities. It is rather difficult for the Department of Forestry to intervene in this field, except through research. We are by definition committed to research. The hon. member knows that the department is very sympathetic to the problems of the private tree farmer, and that we are doing everything we can; but what we are doing is very limited. I cannot add anything to raise the hopes of the hon. member.

Much of our literature is distributed throughout Canada and throughout the world. One of the problems is to know which groups are interested in it. The hon. member mentioned trade unions. I think he is correct. We should send this literature, for instance, to the International Woodworkers of America and others in this field.

As for the Canadian College of Conservation, I am afraid that under the British North America Act this would come under education. There might be some possibility of doing something in the research field, and receiving a number of foreign students, outlining to them in two or three days the problems of conservation, and telling them about the situation in Canada. We have institutions in most parts of the country which could receive some of these foreign students.

I think, Mr. Chairman, that I have answered all the questions put to me by various hon. members this afternoon. I shall be ready to answer specific questions on each of the items on the estimates of the department.

The Chairman: Shall the item carry?

Some hon. Members: Agreed.

Item agreed to.

3. Construction of extension to research laboratory in Pointe Claire, Quebec, for use by the Pulp and Paper Research Institute of Canada, $750,000.

Mr. Herridge: Would the minister mind informing the house of the relationship between his department and the research institute, with respect to the types of research done, and with respect to the sharing of costs?

Mr. Sauvé: Yes. The Canadian Pulp and Paper Association of Canada pays for the

annual costs of research in this institute. The federal government has undertaken to pay for the cost of building the research facilities there. This is an old arrangement between McGill University, the Canadian Pulp and Paper Association, the Department of Agriculture and the Department of Northern Affairs and National Resources.

We have now finalized this agreement. It was agreed long ago to build research facilities for the Canadian Pulp and Paper Association. That organization has the sole responsibility for the research carried on there for the pulp and paper industry. The Department of Forestry is not engaged in this field of activity.

There is consultation between the people who are doing the research for the Canadian Pulp and Paper Association—I think it is either in Pointe Claire, or around there, in Montreal—and our people in the Department of Forestry. There is no overlapping in the work carried on by the department and by the research institute.

The hon. member for Comox-Alberni knows that this research institute is preoccupied with pollution. He has received, through my intercession, information as to exactly what they are doing in the field of pollution. They hope to be able to find an economic way of dealing with acids and other polluting material, in order to stop the pollution of our rivers and lakes.

Mr. Herridge: Is that air pollution as well, may I ask?

Mr. Sauvé: I could not tell you. I know that they deal with water pollution. Perhaps the hon. member for Comox-Alberni, who is interested in this, could answer. He has been in touch with the laboratory people.

Mr. Barnett: Mr. Chairman, as the minister has pointed out, I did raise some question about this grant on the estimates of the last year which were dealt with not too long ago. I want to use this opportunity of thanking the minister for doing what he told me then he would do, which was to make more detailed information available than had been available in the committee with respect to the activities of this particular institute, and with particular reference to the field of research into pollution control.

I should also like to say that I appreciate the very detailed report which came to me, through the minister's action, from the president of this institute, outlining exactly the work that was being done in the field of water pollution control and, to a certain extent, in air pollution control. That work is being undertaken because, in the production of pulp and paper, the industry is an important factor contributing to the pollution of our clean air and clean water.

I had wanted an opportunity of speaking on this subject even before the hon. member for Kootenay West rose to ask his question.

Item agreed to.

10. Freight assistance on western feed grains including assistance in respect of grain storage costs in accordance with the terms and conditions prescribed by the governor in council, $19,200,000.

Mr. Rapp: Mr. Chairman, under item 10 it is shown that freight assistance is going to be decreased by $1,800,000 for the coming year. Would the minister explain the reason for this reduction? Is it on account of less feed grain being moved? What is the reason?

• (4:40 p.m.)

Mr. Sauvé: We have been negotiating with the Canadian National Railways a program whereby feed grain can be carried by rail the year round from the lakehead to various points in the maritimes at a cost equivalent to that of water transportation. This accounts for the difference between the amount provided last year and the new amount this year. It will mean a saving for the government, but not a reduction in the quantity of grain transported from the lakehead.

Item agreed to.

Forestry—

15. Administration, operation and maintenance including grants as detailed in the estimates, $12,620,000.

Mr. Chatterton: I notice on page 167 an increase in the amount provided for regional research and services. The minister has just been out in British Columbia. Can he tell us whether it is proposed to extend the facilities of the research laboratories in Victoria?

Mr. Sauvé: The reason for the increase is that following the opening of the laboratories last February the number of personnel has increased, with a corresponding increase in the amount needed for salaries for 1966-67 compared with 1965-66.

The other reason for the increase is that we are engaged in a special program to deal with the woolly aphid problem which we are conducting in conjunction with the provincial Department of Lands, Forests and Water

Resources, and the British Columbia Research Council.

Mr. Chatterton: Is there no proposal to enlarge the facilities at the research laboratory in Victoria?

Mr. Sauvé: Yes, there is such a proposal, but this year we shall not build, though we have a sum of money set aside for architects and engineers. There is no project for physical expansion in Victoria this year.

Mr. Chatterton: Is that because of the tight money situation?

Mr. Sauvé: No; this is what the program calls for.

Mr. Herridge: Can the minister explain why the vote last year for publication of reports and other materials amounted to $8,900 while this year it is only $2,500?

Mr. Sauvé: Can the hon. member give the page number?

Mr. Herridge: Page 166.

Mr. Sauvé: When we organized the department on a national basis a certain number of regional facilities were left on a regional basis, and it is these to which the item refers. This explains why this particular vote is less than it was last year.

Mr. Barnett: I noted the remarks made by the minister about insect infestation on Vancouver Island, and that there had been a similar outbreak on the west coast of Newfoundland. Is this the infestation which has recently attacked the balsam fir? There was an item in the most recent bulletin published by the Council of Resource Ministers saying a ban had been placed on the shipment of balsam fir lumber from British Columbia as well as upon the export of live trees. Is the research program to which the minister referred related to this question?

After receiving that bulletin I wrote to the Minister of Lands, Forests and Waters of British Columbia to ask for some details. I was puzzled by a reference in the bulletin to 250 billion feet of balsam fir being threatened by this infestation. I did not think we had so much balsam fir in British Columbia. Was the research program designed to lift this ban on the use of our balsam fir?

Mr. Sauvé: I do not think the program was designed in order to lift any restriction. It was originated in an effort to find a way of eliminating the balsam woolly aphid.

I knew that in certain regions of Vancouver island some restrictions had been imposed, but I was not aware the problem had reached the dimensions indicated by the hon. member. Are the figures correct? That figure of 250 billion seems to be extraordinarily large.

Mr. Barnett: I myself was puzzled by that reference. I wondered if it was a misprint.

Mr. Sauvé: Did the figure come from my department?

Mr. Barnett: No; it was in a bulletin published by the secretariat of the Council of Resource Ministers in Montreal. It was a brief item and did not go into detail. I wrote to the appropriate minister in British Columbia asking him to send me more details particularly with reference to the volume of timber involved and the imposition of the embargo. Is the program to which the minister referred intended to deal with this particular infestation?

Mr. Sauvé: This is a program to deal with the balsam woolly aphid. I read the bulletin to which the hon. member referred but I do not recall the figure he mentioned. I am afraid I cannot give the hon. member a precise answer. I shall have to find out whether there is any relation between what is contained in that announcement and the balsam woolly aphid. I read the bulletin program we are carrying out—a program limited to some parts of Vancouver island where this woolly aphid is presenting a serious problem.

Mr. Barnett: On another subject, could the minister give us a few more details about the item which can be found at page 164—grants in aid of forestry research, in an amount of $90,000? Does this involve a program of grants toward the assistance of research at universities or similar institutes? Where is this research being done?

Mr. Sauvé: This money is being spent on what we call extramural research—research in universities, research by individuals, and so on. This is for work done outside the various laboratories of the department. There are four forestry schools in Canada. The faculty of forestry, British Columbia, which is under the direction of Mr. Joseph Gardner, a past director of the research laboratory of the Department of Forestry in Vancouver, is receiving a grant under this item.

Mr. Barnett: May I suggest that when he is considering grants of this kind in the future the minister should use his good offices in connection with a situation which has concerned me for years—the apparent inadequacy of our arrangements to provide foresters and forest engineers with a broad basic education in related fields of science, so that they may have some appreciation of the results and side effects of forestry activities?

My interest in this situation dates back to the first forest spraying program on Vancouver island in the course of which serious damage was done to fish life. I found to my horror that the forestry engineer in charge of this program had less knowledge of the effect of his proposals upon surrounding aspects of nature than I, as a layman, had picked up in this field in the course of my duties as a member of the House of Commons.

• (4:50 p.m.)

I hope that the minister, in discussions relating to the arrangements for future research grants, will use his good offices to ensure that our education of forestry people is such that they understand this basic relationship in multiple resource use.

Mr. Sauvé: I could give the hon. member a list of all research projects which are done outside the department. It is very technical and scientific, and to save the time of the committee I could send him a copy this coming week.

Mr. Barnett: That kind of list could be more usefully considered in the standing committee, as I suggested in my earlier remarks. There is another intriguing item of $5,400 as Canada's share of the cost of developing a multilingual forestry terminology. Is this Latin or Esperanto? I assume it is an international project.

Mr. Sauvé: Yes, and it has to do with the other official language of our country, French. It is a project to produce a lexicon which would give the equivalent French terms. The work is being done by a professor at the University of Grenoble in France.

Mr. Barnett: Then it is really a bilingual program, not a multilingual one?

Mr. Sauvé: This is the part of the program in which Canada is interested. It is part of a larger program which has been launched under the auspices of UNESCO. Our contribution of $5,400 relates to the French part.

Item agreed to.

[Mr. Sauvé.]

23. Contributions to the provinces in the amounts and subject to the terms specified in the details of estimates, $8,660,000.

Mr. Herridge: I am rather interested in this vote because it covers agreements between the federal and provincial governments. I remember some years ago there was an agreement covering the forest inventory in the district in which I live, but the man in charge was more interested in the matron of the local hospital than in the inventory being undertaken. What check is made by the minister's department to make certain that these agreements are properly carried out, and can he say what is being done with respect to research into forest fire protection? Are water bombers being tried and what other methods are in use?

Mr. Sauvé: Each project which is approved by a province has to be approved by the federal department of forestry under one of five headings. All the details of a project are given to the federal administration and then there is a check on the expenditure of the money.

As for a water bomber, the Department of Industry has agreed to finance up to $5 million the project of Canadair to build a new water bomber, of which the province of Quebec has already agreed to buy about 20. The government of France is also interested in this water bomber, which could be used for other purposes. In some of the provinces it could replace the Canso, some of which are possibilities of such a water bomber, its still at the planning stage. The Department of Forestry was consulted about the technical possibilities of such a water bomber, its upkeep, cost and so on. I understand Canadair is in process of coming out with one experimental water bomber, and this type of aircraft will be sold in Canada to Quebec, and in Europe to France.

Mr. Muir (Cape Breton North and Victoria): Is the minister able to provide us with any information respecting continuation or renewal of the program carried on in Nova Scotia dealing with forest stand improvement?

Mr. Sauvé: So far this year we have not received any request from the provincial Department of Lands and Forests for this program to be carried out in the summer of 1966. Usually we wait until there is a request from the province, but to my knowledge up to the present there has been no request.

Mr. Muir (Cape Breton North and Victoria): Up to the present time?

Mr. Sauvé: To my knowledge up to the present time. There might have been some correspondence between the provincial department and officers of my department that has not reached my desk, and if there is anything contrary to what I have said I shall inform the hon. member.

Mr. Barnett: Is there any bulletin or document which gives details of the various items covered by agreements with the provinces, and indicates the amounts being spent in each of the provinces?

Mr. Sauvé: This can be found in the annual report of the Department of Forestry, which gives in detail what has been done in each province.

Mr. Barnett: The annual report usually refers to the program that has ended, rather than the program that is ahead. Is there any substantial variation in the program for the current year? I notice the expenditure is the same, but I wonder has there been any change in emphasis?

Mr. Sauvé: I cannot say because we have to wait for requests from the provinces. There are five different subjects covered by these agreements and the provinces have a choice. They might spend all the money under one heading or under all five headings. We do not know in advance. I could not give the projects for 1966-67 until the year is ended and that is why I referred the hon. member to the annual report. I could only specify the requests received so far.

Mr. Barnett: Could the minister provide the details when all the requests have been received, and table them in the house?

Mr. Sauvé: I think so.

Item agreed to.

Rural Development—

30. Agricultural Rehabilitation and Development Act program and Maritime Marshland Rehabilitation Act program—construction or acquisition of buildings, works, land and equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the province of New Brunswick of the cost of the Petitcodiac river dam project, $848,900.

Mr. Knowles: Does this mean that item 25 is being referred to the committee on agriculture?

Mr. Sauvé: No, we are not referring any items of the forestry estimates to the committee this year, as I told the hon. member for Comox-Alberni, but we might be doing so next year.

• (5:00 p.m.)

Mr. Knowles: Mr. Chairman, I admit that it was in the midst of some confusion, but last Tuesday the question was asked by the hon. member for Timiskaming and the hon. member for Winnipeg North Centre, as to whether items relating to ARDA could be referred to the standing committee on agriculture, forestry and rural development. The minister did not agree that this would be done, but said that it would be considered.

Mr. Sauvé: We had a debate for three days on the ARDA program in respect of Bill No. C-151. I believe the opinion of the house would be that we had a serious investigation of the ARDA program in this house for three days and that it might not be necessary for these estimates to be referred to the committee.

Item agreed to.

The Chairman: This completes the main estimates of the Department of Forestry.

Mr. Favreau: Mr. Chairman, could we have unanimous agreement of the house to carry on with the estimates? Two of the ministers are here at present, the Postmaster General and the Minister of Labour. These ministers are ready to carry on with their estimates. I think this procedure would do much to expedite the business of the house.

Mr. Rapp: Mr. Chairman, a number of our members would like to speak on the estimates of the Department of Labour. They took it for granted that these estimates would not be taken up today.

Resolutions adopted in committee of supply this day reported and concurred in.

LABOUR RELATIONS

CANADIAN NATIONAL RAILWAYS—APPOINTMENT OF CONCILIATION BOARD

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, may I revert to motions?

Mr. Deputy Speaker: Does the house give unanimous consent to the minister to revert to motions?

Some hon. Members: Agreed.

Railway Conciliation Board Appointed

Mr. Nicholson: Mr. Speaker, I had hoped it would be possible to make this announcement in the course of presentation of the estimates of the Department of Labour. I was not able to make the announcement earlier, but since it refers to a matter which has been raised in this house several times within the last week and since it has been released to the press, I think it is proper that it be made to the house at this time.

I wish to announce that Hon. J. C. A. Cameron, Q.C., of Ottawa has been appointed chairman of the board of conciliation established to deal with a dispute involving 22,000 non-operating railway employees of the Canadian National Railways and certain jointly operated railways: Northern Alberta Railways Company, Toronto Terminals Railway Company, and the Shawinigan Falls Terminal Railway Company.

Hon. Mr Cameron, who was a judge of the Exchequer Court of Canada for many years, has had wide experience as an arbitration and conciliation board chairman. During the critical war years he served as chairman of the National War Labour Board. I believe we are very fortunate in obtaining a man of his experience and calibre for this important and complex task.

The other members of the conciliation board are Mr. A. G. Cooper, Q.C., of Halifax, nominee of the railway companies, and Mr. E. P. O'Neal, of Vancouver, nominee of the union.

The dispute involves non-operating railway employees, represented by the Canadian Brotherhood of Railway, Transport and General Workers. Conciliation boards also have been appointed to deal with 55,000 other non-operating railway employees and 28,000 non-operating railway shopcraft employees.

Thank you, Mr. Speaker.

Hon. R. A. Bell (Carleton): Mr. Speaker, members of the house will welcome the appointment of a jurist as distinguished as is Hon. Mr. Cameron to undertake this very important task. I am sure members on all sides of the house certainly wish him well in what is an imperative national duty.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we welcome the announcement the minister has made. We wish these three boards well as they cope with their task.

[Mr. Deputy Speaker.]

NATIONAL CAPITAL ACT

AMENDMENT TO PERMIT APPOINTMENT OF GREEN BELT ADVISORY COMMITTEE

Hon. R. A. Bell (Carleton) moved the second reading of Bill No. C-12, to amend the National Capital Act.

He said: Mr. Speaker, this bill to amend the National Capital Act to establish a green belt advisory committee is, I believe, non-controversial; certainly it is non-partisan. Hon. members on all sides of the house share the imperative urge to advance the cause of national capital planning. Is it too much, then, to hope that this afternoon the government supporters would not feel it necessary or desirable to talk out this bill, but rather would permit it to come to a vote in the hope that the house might adopt it.

I see the Acting Prime Minister (Mr. Martin) is in the chamber. I know of his interest in national capital planning and perhaps I might enlist his help in this matter. It is my sincere belief the adoption of this bill would accrue to the general advantage of the whole national capital region. Assuredly the bill is not a matter of mere local interest; it has a basic national significance.

Every Canadian has a prime stake in and a responsibility for the future of Ottawa and of the national capital region, as a symbol of a united nation. I believe members of all parties in this house agree that it is of paramount importance that Ottawa should be given the atmosphere, the individuality and the dignity of a national capital which is becoming of a dynamic nation. The standards of city planning and of city development should represent the most advanced thinking available. This parliament should be ready to provide the funds necessary for these proper national purposes.

Now, sir, only 230 days remain before Canada enters her centennial year. In 1967 Ottawa will be the Mecca for many more Canadian, commonwealth and foreign visitors than at any other period in her history. In my view a crash program of national capital planning is needed urgently in these next seven months, if Ottawa is to be readied for the centennial. There must be a much more active and vigorous partnership among the Department of Public Works, the National Capital Commission, the civic administrations of Ottawa and the surrounding townships and villages, and the government of Ontario. Only in this way can Ottawa achieve the status of a great and unique city developed by enlightened planning which reflects the vigorous and

dynamic culture of Canada in her centennial year.

• (5:10 p.m.)

Foresight, determination and haste—and I emphasize haste—are now needed to enhance the quality and character of the city. Sir, Ottawa is not a fully planned capital in the sense of Washington, Canberra or Brasilia. But the influence of the National Capital Commission and its predecessors has been profound. This parliament should assure even greater support of municipal and other services as a matter of urgent, national priority.

This bill deals only with one aspect of the problem, but it is an important one. It would make mandatory the appointment of a green belt advisory committee responsible for the administration and development of the green belt as a unique and imaginative concept in national capital planning.

Hon. members from other parts of Canada may not be fully familiar with the green belt and the tremendous investment which the people of Canada now have in this area. The original concept of a green belt surrounding the national capital and defining and controlling its physical limits stems from the report of Mr. Jacques Gréber. He defined his proposal in his famous report as follows:

> In the centre, the urban region is delimited by a perimeter, intended to prohibit tentacular and linear extensions of constructions abutting upon highways. To that effect an area, zoned as a green belt, frames this perimeter and is subjected to regulations to protect the area comprised within the green belt against undesirable development. Outside of the extreme limit of this green belt, the territory will retain its rural character, with the exception of limited and controlled minor and appropriate developments.

No action of an effective nature was taken until June 18, 1958, when the right hon. gentleman from Prince Albert, as prime minister, announced the decision of the government to acquire ownership of the green belt by purchase or expropriation so as to, in his words, "ensure that the development of the capital area over the long term future will be in accordance with the national importance and significance of this city." The words of the right hon. gentleman from Prince Albert at page 1381 of *Hansard* of June 18, 1958, are worth repeating:

> I should like to emphasize that this is a long-term project undertaken in the national interest. It is not a short-term one nor one that has been undertaken at the request of the local municipalities. Experience has shown that unless effectual control is exercised, cities tend to sprawl out into suburbs, resulting in what is called ribbon development, in a manner that is quite contrary to and inconsistent with the long-term planning that is necessary and essential if the capital of Canada is to be preserved and developed so that it will be a capital city of which this generation and succeeding generations can and will be proud.
>
> By investing a reasonable sum now to acquire title to the lands on the boundaries of the city the people of Canada, through parliament, can be assured of that control which is necessary before further developments take place which may indeed result in action being taken too late. During the early years after the land is acquired the rents received for it may not be as much as the interest on the funds borrowed to purchase the lands in question, but the government is confident that over the long-term period the investment will be found to be worth while financially, as well as being necessary to achieve the important purpose which we and the people of Canada as a whole, I believe, have in mind and desire.

The result of this decision communicated to the house in those words on June 18, 1958, has meant that the people of Canada are now the owners of a green belt surrounding the national capital consisting of 41,390 acres, for which to date $34,241,578 of public money has been advanced or loaned and for which, according to estimate, an additional $5 million will be needed to complete the program. This is a total public investment by way of loans or advances of almost $40 million.

Many of the methods of the National Capital Commission in expropriating and acquiring the green belt were an anathema to some of my constituents; but these decisions have been taken and there is no use crying over spilled milk. This does not necessarily mean that we have reached the end, however, of green belt expropriations. According to that very distinguished journalist, Mr. Richard Jackson, the government is planning to extend the green belt to an area of 900 square miles. Whether this be true or not, I have learned never to discount the informed predictions of Mr. Jackson. But whether at its present or an expanded acreage, what concerns me and what this bill is all about is the management of this $40 million asset belonging to the Canadian people, an asset bound to increase in value as the years go on.

Any area of 41,000 acres requires knowledgeable, competent management by expert persons and, quite frankly, this is what the National Capital Commission has lacked. I have the highest respect for the commission itself, its chairman, its general manager and staff with one exception—a man who should be confined to outer darkness because he has done more to set back the cause of national capital planning and frustrate the good will essential thereto than is conceivable or could

be described. But apart from that, the commission is simply not capable of efficient, effective management of the green belt in accordance with the mandate from this parliament. This bill would give them the necessary advice and assistance.

To what purposes would the proposed green belt advisory committee work? So that hon. members may appreciate the basic purposes and functions of the green belt, perhaps I may paraphrase some of the descriptive material which appears in the report of the joint Senate and House of Commons committee of 1956 on the national capital, a committee of which my hon. friend from Ottawa East (Mr. Richard) was a member.

The green belt is intended to control the physical limits of the metropolitan area and thus limit the ultimate population of Ottawa. The control of population is designed as a technique of providing for the economic development of municipal and other services within the metropolitan area. The green belt is intended to maintain sites which in the future can be used by federal buildings and institutions requiring large areas. It will provide future park areas to serve the future metropolitan population which lives on both sides of the green belt. Outside the green belt the population would live in satellite communities, and these are already developing in such communities as Kanata and Glencairn.

The protection of the physical outer limit of the national capital limits federal participation and involvement in the area. If the central core were permitted to expand indefinitely as a metropolitan area, the national capital might some day be spread over most of eastern Ontario. In that case there would and could be no limit to the involvement and financial responsibility of the federal government to the national capital.

• (5:20 p.m.)

In the same report to which I have been referring and which I have been attempting to paraphrase, permissible uses for green belt properties were outlined as being housing and agricultural uses on lands of more than 5½ acres; hospitals, religious institutions, educational institutions and public buildings on lands of more than 10 acres; churches, libraries and museums on lands of more than 3 acres; commercial and/or industrial undertakings on lands of more than 10 acres; and farms of at least 20 acres. These early, indeed original statements of permissible uses have been, I believe, refined considerably, but regrettably there has never been an up to date statement of governmental or commission policy in respect of this matter. This is one of the reasons why I would like to see a joint committee of the Senate and House of Commons, as I have advocated on a number of occasions at this session of parliament.

I would invite, sir, the interested hon. members of this house, and indeed members of the public, to examine the returns which were produced in the house on April 20, 1966 to questions 792 and 793 posed by me, which returns give more information about the existing plans for development of the green belt for recreational, governmental, reforestation and conservation purposes. I believe that lack of expert advice has led to many erroneous decisions, decisions such as the reforestation of one of the finest farms in the whole Ottawa area, the Harold K. Nesbitt farm. This is a farm which is completely tile drained and highly productive as a dairy farm, and has one of the best orchards ever developed in eastern Ontario. No farm less susceptible to reforestation could be found anywhere in Canada and at this very moment I believe the commission is considering tearing out the thousands of trees planted in 1965, and restoring the land to the agricultural purposes for which, particularly with expensive tile draining, it is eminently suited. One of the things which this bill is designed to do is to prevent these mistakes from being permitted to recur.

I believe, sir, that without expert advice for the National Capital Commission, the green belt could become a weed belt—a "tatty acres", a ramshackledown—or a publicly owned Tobacco Road. It is to avoid these undesirable developments that this bill proposes the establishment of a green belt advisory committee of not fewer than five, nor more than 12 persons, of whom a majority shall be persons experienced in farm or forestry management with a special knowledge of local conditions and circumstances in the national capital region.

Under the existing legislation, sir, the National Capital Commission could have appointed such a committee of their own initiative and without additional parliamentary authority. All this bill does is to make mandatory that which is now permissive.

What has interested, indeed fascinated, me is that since this bill was introduced the National Capital Commission has established, on February 28, 1966, what is called the

agricultural advisory committee to the property division of the National Capital Commission. If this bill has hastened the establishment of this committee, it has already served a useful purpose. This committee consists of three public servants, Dr. Grant Carman, a dedicated, articulate and very able member of the council of the township of Nepean who is the director of information of the Department of Agriculture; Dr. Peter C. Stobbe, of the Soil Research Institute of the Department of Agriculture, and Mr. R. C. Hodges, of ARDA in the Department of Forestry. The objectives and functions of this committee are described in the appointing document as follows:

1.2—The purpose of the committee is to afford the property division of the National Capital Commission professional and technical aid and advice with respect to matters of terms of development of the agricultural and forestry portions of the lands owned by the commission.

Further purposes are:

1.5—The Agricultural Advisory Committee shall consider, investigate and report on matters relating to the use and development of land for Agricultural and Forestry purposes in which the Commission may be interested, as requested by the Property Division. Such matters will include:

(i) The rental, maintenance and rehabilitation of Agricultural properties of the Commission.

(ii) Use of Agricultural lands with specific reference to land capabilities and classification.

(iii) The maintenance of lands, fences, buildings and drains.

(iv) Matters of good farming practices, leasing methods and terms.

(v) Economic feasibility of Agricultural projects and practices.

Now, sir, much as I welcome this advance and great as my respect is for this committee, and its chairman, Dr. Carman, the establishment of it is only a sop, an attempt to meet the purposes of this bill now under discussion in the house and to do it inadequately.

In my belief it is imperative that members of the public, experienced and knowledgeable citizens of the area, in addition to civil servants, should be involved in this work of planning and managing the green belt. This is what this bill would do. Already at this session, on a number of occasions, I have requested the Prime Minister (Mr. Pearson) and the Minister of Public Works (Mr. McIlraith) to agree to the appointment of a joint special committee of the Senate and the House of Commons to study the national capital problems. I am at a loss to understand the reluctance of the members of the government to accept the repeated suggestions which have been made to them. This afternoon I renew the request to both the Prime Minister and the Minister of Public Works to appoint such a joint special committee. I believe that great good could be achieved by a parliamentary review of all the problems of the National Capital Commission in this area. That review should take place at the earliest possible date and would include the problems which I have endeavoured to present to the house this afternoon.

I would commend this bill to the house as a contribution to the national capital planning and would hope that it will neither be talked out nor opposed on political grounds.

Mr. Paul Tardif (Russell): Mr. Speaker, I was very much impressed by the enthusiasm of my good friend, the member for Carleton. I am going to limit my remarks as much as possible to a few concentrated ones so that he will not be able to accuse me of talking this bill out. As a matter of fact, I thought he was in the process of doing that himself when he talked about everything except what the bill contains. I was impressed by his historical and statistical notes. The explanatory note to the bill states this:

[*Translation*]

Pursuant to subsection (3)—

[*English*]

—which is the subsection the hon. member seeks to amend—

[*Translation*]

—of section 9 of the National Capital Act, the Commission may appoint a National Capital Planning Committee and such other committees as it considers necessary or desirable for the administration of the Act.

The purpose of this bill is to direct that the Commission shall amongst those committees appoint a Green Belt Advisory Committee.

• (5:30 p.m.)

[*English*]

The commission has the right to appoint any type of committee which, in its judgment, is necessary or can make a contribution to the national capital. The hon. member for Carleton suggested he was deeply interested in making an attractive capital. I think everybody in Ottawa who has administrative responsibility in any sphere, civic, provincial or federal, has exactly the same interest and has had that interest for a good many years. This is not entirely new. If the National Capital Commission has the right at this time to appoint the committees that are necessary

in order for it to function, then there is no need for this bill.

However, Mr. Speaker, although I am going to vote in favour of the bill—and I am going to tell the hon. member why I am going to vote in favour of it—I want to tell him that I feel this bill may make an unnecessary change in the act as it now stands. My hon. friend has said he has the highest respect for every member of the commission, with the exception of one black sheep who belongs to that large family which administers the national capital. I do not know to whom he is referring. However, if there is only one in this flock, then I think that is a rather good average. It would be better if we did not have any, but I do not know whether that is possible.

The hon. member wants an additional committee of from five to 12 members. He has said there is a great deal of confusion about the national capital and, because of this confusion, because of the lack of experienced people, because these people do not know the problems of the green belt, we should have a committee of from five to 12 people. He must realize, as we all do, that the more committees you have and the larger those committees are, the less work is done.

What surprises me is that when the hon. member was a minister he did not make the recommendation to set up this committee. He said he was not successful when he suggested the establishment of this committee to the present government. However, he does not speak of his lack of success when he was sitting on the treasury benches. I do not know why he did not mention it. Most of the members of the National Capital Commission were appointed by his government, and they were appointed on his recommendation. As a matter of fact, most of them are still members of the commission. I do not suggest this is the reason they are not capable of looking after the problems of the green belt, and I am sure that is not what the hon. member meant, either.

I shall vote for this bill in any event, but I am a little afraid that if it passes it might add to the confusion that already exists by reason of the number of committees we have today. Actually, if the purpose of the measure is to protect the people in the green belt who are going to be expropriated, then the hon. member is closing the barn door after the horse has been stolen.

[Mr. Tardif.]

In so far as the Ontario side is concerned, most of the expropriation has already taken place. There are no expropriations that have to be made on the Quebec side, through negotiation. If the purpose is to protect people who are going to be expropriated, there are very few of them left. When I was in opposition, many of these people came to me as well as to the former member for Carleton requesting representations to enable them to get a square deal. In many cases they did not get a fair deal. I am sure that the present staff of the National Capital Commission can gather the data to make sure that the lands for the green belt are the best plans for the city of Ottawa. In the first place, they have at their disposal a great number of experts who can provide information to the National Capital Commission. They do not have to be members of a committee. I am sure the members of the National Capital Commission staff will accept the additional burden, will probably be willing to sacrifice some of their time, to do the kind of job we expect them to do.

So far as I know there are only a few parcels of land that remain to be expropriated under the present plans of the National Capital Commission for the development of the green belt. This afternoon the hon. member has referred to the fact the commission has plans for recreational areas, small factories and many other things that are going to be located in the green belt eventually. If these plans already exist, and if we need advisers to change those plans somewhat, I am sure we can do that without having a committee.

However, I am going to vote for the bill if it comes to a vote. I am going to vote for it for this reason: Even if there are only a few people to be expropriated, or if there are people who have been expropriated who are dissatisfied with the treatment they received from the people who valued their property when it was expropriated by the National Capital Commission, then I would vote for this measure so that they could make representations to this committee. I know a great number of people who belong to the Home Owners Association in the green belt who have made representations on many occasions to me, to the former member for Carleton and everybody in the National Capital Commission but without great success. If the passage of this measure will give these people another opportunity to state their grievances, then I am in favour of it. I

pray they will be more successful than the people who appeared in front of the National Capital Commission when the large part of the expropriation was being done in 1958, 1959, 1960 and 1961.

Mr. J.-T. Richard (Ottawa East): I rise at this time to say only a few words about Bill No. C-12, an act to amend the National Capital Act. I might say that I would have preferred to have an opportunity to talk about our national capital plan in general. As the hon. member for Carleton (Mr. Bell) said a few moments ago, we should discuss some crash program to do some of the work which should be done between now and July 1 next year.

However, this bill relates particularly to the green belt. As the hon. member for Carleton and the hon. member for Russell (Mr. Tardif) have indicated, there is a provision in the National Capital Act which enables the commission to appoint such committees as it considers necessary or desirable for the administration of the act. No doubt one can assume that if the commission felt it necessary, they would have such a commission established for the green belt. I am surprised, I must say, that the commission has waited this long to appoint what is termed an agricultural advisory committee and which, I assume, would do in part the work this green belt committee would do. I am sure this action must have been taken because of this bill which the hon. member put on the order paper.

My only objection at this time, and it is not an objection to the bill, is that these committees, like this green belt committee, do not have any power. I go back to my perennial statement on this subject of the national capital. We have never properly delimited our plans for our capital. We talk about a national capital, but nobody seems to know who has any power to do anything about it. I feel this is the first thing that should be done, once and for all, namely that the two authorities should settle this problem immediately. I refer to the federal government and the provincial government. They should act in co-operation with the municipalities concerned. There are always these plans being made which involve provincial agencies, but provincial representatives never take part in the planning. It is the province that has the power over the land as well as over the municipalities.

We had a very good illustration of this only a few days ago in court here in Ottawa on an expropriation case. The appellant in this case before the Supreme Court of Canada was claiming his lands had been wrongly expropriated by the National Capital Commission which, he alleged, did not have the power of expropriation. The Solicitor General of Canada (Mr. Pennell) claimed that Canada could even expropriate provincial lands. The only objector to this theory was some interloper from Quebec, who was not really interested because these lands were in Ontario. There was no one from Toronto present, so we do not know the viewpoint of the province of Ontario on this subject. The matter is left somewhat hazy. We do not know at this time, as I say, what are the thoughts of the government at Toronto toward this national capital plan.

I am in favour, Mr. Speaker, of this type of committee, but I should like to have the National Capital Commission come forward with the kind of plan required and be given the power to do the things it is doing. The things it is doing are not wrong, but everyone is suspicious of them because they are not set out in black and white. Everyone is afraid to have them approved by proper negotiation or through a proper decision of the court.

• (5:40 p.m.)

I do not think that this matter should go to the courts. I think that the province of Ontario, together with the government of Canada, should once and for all sit down and decide whether they want a national capital of a certain kind and a National Capital Commission with certain powers.

I am a native of the city of Ottawa, Mr. Speaker, and we natives are all very proud. Like all citizens of Canada, we are anxious to co-operate. But let no one think that it has been an easy thing for those who are taxpayers in this area to co-operate in a plan which is so hard to put through; when we are subjected to increased taxation because we are partners in a plan which entails considerable expense. Nevertheless we are willing to go ahead if we know where we are going; and if this kind of committee can help, I for one am all for it.

[*Translation*]

Mr. Gaston Isabelle (Gatineau): Mr. Speaker, first of all, I would like to congratulate my colleague for Carleton (Mr. Bell) on

his vigorous, spirited and colourful speech, as always. As I know him quite well, I hope that he will be just as spirited and colourful to uphold bilingualism within the N.C.C.

Mr. Speaker, I was surprised at the introduction of Bill C-12, for the simple reason that I thought this action was taken much too late. It is, as it were, an overdue delivery, and we know what kind of child this can produce. This bill should have been submitted to the house around 1958, when the present sponsor represented within the government an element which would surely have given a lot more value to the bill at that time. And I think that if the N.C.C. had today the power to appoint a Green Belt Advisory Committee, it should not have to force that committee to sit, because this should have been done several years ago. The N.C.C. should, of course, have appointed such an advisory committee and also consulted with the mayors of the various municipalities or, at least, with municipal councils, that is elected people, and, I repeat, before today, because the national capital area covers between 1,800 and 2,000 square miles. It is impossible to do today, through consultations carried on by an advisory committee, what was done yesterday.

As I say, at the very beginning, the National Capital Commission, then known as the Federal District Commission, may not have had extraordinary powers, but nevertheless it had advisory powers which it failed to use. Perhaps the mayors of the neighbouring municipalities, attracted by the free aspect of the development of certain parks or certain parts of their territories, were a bit taken in by this golden opportunity which was held out in bright prospects to them. And even today, if the objective of an advisory committee is to be achieved practically, if the National Capital Commission is to be forced under the provisions of the bill, to appoint a Green Belt Advisory Committee, I suggest there would be an overlapping of provincial and federal authority. I do not think that we can have the same view of the problems submitted with regard to the acquisition of lands and with regard to everything contained in subsection (3b) of section 9. Quebec and Ontario municipalities will not see eye to eye, and there may be confusion and misunderstanding around the conference table, which I think will result in bringing to a standstill the projects for the development of the federal capital. When I refer to the federal capital, this includes the national capital area. And how could we determine the role that could be played today by such a committee, since some municipalities both on the Quebec and Ontario sides have difficulty agreeing with each other.

To this effect, I quote a newspaper report of May 13, 1964—

[*English*]

What prompts persons both inside and outside of the Commons to raise this question periodically are instances of dissension at Ottawa's city hall, the lack of co-ordination between this city and its neighbours on transportation and hospital services, and the lack of progress on road repair programs.

• (5:50 p.m.)

[*Translation*]

If dissension prevails within municipalities, is it possible, do you think, to appoint an advisory committee on which representatives of various regional governments could sit in order to discuss a common problem? If we want to survive, we shall have to draw up extensive plans for the future.

Planning is as essential in the social and urban fields as in any other. I have here an editorial by Mr. Gérard Bernier which appeared in *Le Droit* of December 16, 1964, in which he states:

For several years, the federal government, through the N.C.C., has performed a fine job of town planning in the area. Both on the Ontario and on the Quebec sides, what a lot of extensive and tremendous achievements.

However, we find an anomaly which should be corrected as soon as possible. The municipalities concerned, on both sides of the Ottawa river, are not represented within the N.C.C. by a representative of their government at the municipal level. It is normal that the mayors of Ottawa and Hull should be official members of the N.C.C. and have the privilege of being represented within this body by an appointed delegate if they are unable to attend a meeting.

When I had the pleasure and the honour of being mayor of the municipality of Lucerne—it may not be the most populous, but it certainly is the most beautiful municipality in the district—I said on January 5, 1965: we are on the road to progress and I hope the population will keep on co-operating. At that time, we were counting on the co-operation of the N.C.C.

We had informed the N.C.C. that if it wanted to give us a square deal, we would provide all the required opportunities, and I am pleased to say that even though a few hitches occurred, we have always tried to

carry out a program likely to please both parties.

At the very beginning, about 15 years ago, when there was no possibility of getting along with the N.C.C., our municipalities could have tried at least to take a more practical approach to the matter, as distinct from an abstract and intellectual approach, so as not to leave it to the N.C.C. to plan all our territories.

I will be told, I know, that at the time, we could not do such a thing, that the matter was perhaps too ticklish to be discussed, because then the prime concern of the municipalities was this: the matter of money, of grants given to municipalities, and there were also some extremely important matters, such as that of expropriations. These often concerned regions where so-called shacks were bought at prices which their owners could never have received otherwise.

I think these factors were the reason why the municipalities never tried to stop the growing encroachment of the N.C.C. in the field of planning. I do not think much can be accomplished in practice with this committee, which would be another worthless one among the many committees of the N.C.C.

I remember a brief already submitted suggesting that such a committee should be established—I shall speak of it in a moment —but it was never approved, for even if it could have been set up, there were too many committees and some overlapping. The idea was therefore discarded. When a federal district comprising part of the territory of the province of Quebec and part of Ontario is planned, an agreement should perhaps be reached and the decision should be made by the federal government together with the provinces. It should be unanimous, and in my opinion the various representatives of the regional governments should meet to discuss the project with the N.C.C. This should not be a consultation but an intermunicipal and interprovincial committee which will make suggestions to the federal government so that the latter can, in a reasonable and sensible atmosphere free from partisanship, create a federal district in Canada, always according to the criterions which I mentioned in a speech I made in the house last month.

I do not see very well the role which the advisory committee would have to play, because I am convinced that certain areas on the Ontario side will never accept that the Quebec side should receive its share of federal buildings, they will never accept that the development of the immense territory on the side of the national capital should serve to other purpose than driveways, roads and parks.

They will never accept that, since the people in Ontario can come to the Quebec side during the week-end to get some rest after their work.

In this federal district, a vast system of schools would also have to be built on the Ontario side as well as the Quebec side for the benefit of those who want to prepare for a career in the civil service.

Do you believe that we can achieve that with an advisory committee? I submit that we will run around in circles and that this advisory committee will never work, because if I can judge from the advisory committees which I have seen at work, despite meeting after meeting, nothing is ever achieved.

[*English*]

An hon. Member: Six o'clock.

Mr. Bell (Carleton): The hon. gentleman has talked it out.

Mr. Deputy Speaker: Order, please. The hour for the consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Rapp: Mr. Speaker, may I ask the minister whether on Monday next the house will deal with a supply motion?

Mr. Nicholson: So far as I know, there is no change in plan. There will be a supply motion Monday.

Mr. Bell (Carleton): What about Wednesday?

Mr. Nicholson: What is to happen on Wednesday we shall announce on Monday.

At six o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply this day:]

DEPARTMENT OF FORESTRY

3. Construction of extension to research laboratory in Pointe Claire, Quebec, for use by the Pulp and Paper Research Institute of Canada, $750,000.

Supply—Items Passed

1. Departmental administration, $1,121,200.

10. Freight assistance on western feed grains including assistance in respect to grain storage costs in accordance with the terms and conditions prescribed by the Governor in Council, $19,200,000.

Forestry—

15. Administration, operation and maintenance, including grants as detailed in estimates, $12,620,000.

20. Construction or acquisition of buildings, works, land and equipment, $3,063,300.

23. Contributions to the provinces in the amounts and subject to the terms specified in the details of estimates, $8,660,000.

Rural development—

25. Agricultural Rehabilitation and Development Act program and Maritime Marshland Rehabilitation Act program—administration, operation and maintenance, $1,328,000.

30. Agricultural Rehabilitation and Development Act program and Maritime Marshland Rehabilitation Act program—construction or acquisition of buildings, works, land and equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the province of New Brunswick of the cost of the Petitcodiac River Dam Project, $848,900.

35. Payments in respect of projects and programs under the Agricultural Rehabilitation and Development Act, and payments to provinces pursuant to agreements entered into under that act, $22,000,000.

HOUSE OF COMMONS

Monday, May 16, 1966

The house met at 2.30 p.m.

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. Ron Basford (Vancouver-Burrard): Mr. Speaker, I have just been advised by the chairman of the broadcasting committee that he is ill. Therefore I ask leave of the house to present in his name the motion for concurrence in the seventh report of the standing committee on broadcasting, films and assistance to the arts.

Mr. Speaker: Does the hon. member have leave to make the said motion on behalf of the chairman of the committee?

Some hon. Members: Agreed.

Mr. Basford moved that the seventh report of the standing committee on broadcasting, films and assistance to the arts, presented to the house on Friday, May 13, be concurred in.

Motion agreed to.

Mr. Basford: Mr. Speaker, I apologize for this procedure; I heard about this illness only 60 seconds ago.

• (2:40 p.m.)

EXTERNAL AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Jean-Eudes Dubé (Restigouche-Madawaska) moved:

That the first report of the standing committee on external affairs, presented to the house on Thursday, May 5, 1966, be now concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, for the reasons set out previously, we object to concurrence in this report that the 13-member quorum be cut to 10. Out of a total of 25 we believe that the house should be able to find 13 members who will make it their duty and pleasure to attend the sittings of the committee on external affairs.

If there are not 13 who are ready to attend those sittings out of the 25 designated on that committee, I believe those who are not interested in being on the committee should be replaced.

I know the reduction of the quorum has been accepted for other committees, but in my opinion, it is time to find another solution to allow this committee to perform its work, instead of reducing its quorum.

We have already made suggestions. We see that the government did not deem it advisable to take note thereof and to make the necessary changes. Therefore, I would like to move an amendment to the motion presented by the chairman of the committee on external affairs.

I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the report be referred back to the committee with a view to amending the proposal and to suggesting that a substitute be appointed for each of the members of this committee.

This is a simple proposal, Mr. Speaker. There would still be 25 members on the committee, but each member would be assisted by a substitute. If a member of the committee cannot attend the sittings of the said committee, either because he is prevented from doing so or because he is not interested, then there will be a substitute to replace him, and this will make it easier to get the required quorum of 13.

I should like to move this amendment to the effect that the report be returned to the committee on external affairs so that the latter may suggest to the house the proposal just submitted, namely the appointment of a substitute for every committee member. The substitute would not automatically be a member of the committee, but would replace ipso facto by right the committee member absent for some reason or other.

In my opinion that is a reasonable proposal. I fail to see how the government or a member of the house could object to the appointment of a substitute, so that the quorum may be maintained at 13 and the work carried out effectively.

Mr. Speaker: I make certain reservations as to the admissibility of this amendment and I would gladly hear the comments some hon. members would care to make in this connection.

Control of Drug LSD

[*English*]

Hon. G. J. McIlraith (Minister of Public Works): I wonder, Mr. Speaker, if you would consider taking the matter under consideration until another day, so we would not necessarily take up the time of the house in discussing the matter at this moment.

[*Translation*]

Mr. Speaker: If any hon. member is ready to comment immediately on whether this amendment is out of order or not, I shall give a ruling now.

Mr. Grégoire: Mr. Speaker, we are willing to accept what the hon. leader of the opposition has suggested, that is, that your ruling be postponed for a day to give you time to take the matter into consideration; we will probably find a solution to the problem of the quorum of the various committees.

Mr. Speaker: Unless I am given a better reason for postponing my decision, I am ready to give a ruling now. It seems quite obvious to me that the amendment of the hon. member for Lapointe is out of order because, in my opinion, it covers more than the terms of reference of the committee in question.

That being the case, I do not believe the amendment can be accepted.

Is the house ready for the question?

[*English*]

Is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Mr. Knowles: On division.

Mr. Grégoire: On division.

Motion agreed to, on division.

HEALTH AND WELFARE

STATEMENT ON CONTROL OF DRUG LSD

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, in view of the increasing publicity being given to the drug lysergic acid diethylamide, commonly called LSD, I thought it might be appropriate to present a short statement to the house outlining the consideration which is being given to this problem.

The drug in question comes within the category of hallucinogenic drugs which are being used on an investigational basis in psychiatry. In 1963 the sale and distribution of this drug was prohibited except for small quantities provided by the manufacturer of the drug to institutions approved by the minister for clinical investigation and research.

I would also like to say that there is only one manufacturer of this drug in Canada, and there has been no suggestion that any of the supplies of this drug which have appeared in the illicit underworld market are connected in any way with this company.

It appears that LSD is being smuggled into Canada for illegal sale. In prohibiting the sale of the drug except under the conditions I have mentioned, there was not at that time any thought that the drug would lend itself to illicit trafficking. Developments, however, in recent months have unfortunately shown a growing interest in the drug by persons not under medical care.

The hallucinogenic effects of this drug have received wide publicity, giving the impression that such effects are intensely pleasurable and not in any way harmful to the individual. This is not so. Indeed, this is a highly potent drug, and cases of psychotic breakdown have been reported following its use.

I can assure hon. members that the Royal Canadian Mounted Police, who are concerned with this problem, are doing their best to eliminate illicit supplies and we have under consideration, in consultation with that force, special measures which will permit more effective control of LSD than is possible under existing legislation.

While I have indicated to members something of our concern over the illicit use of this drug, I would not wish to give any impression that such use is general in Canada, but there is some evidence that it is increasing. It is being used by individuals who choose to experiment with the drug for its special effects without full knowledge of the dangers which could result.

Mr. Speaker, I wished to make this brief statement to the house to indicate that the problem is one which we are actively considering with a view to adopting such measures as will be necessary to deal not only with the illicit traffic in this drug but its illegal possession.

Hon. J. W. Monteith (Perth): Mr. Speaker, I should just like to commend the minister for making a statement upon this drug at this time. I recall that some years ago, when I

had the privilege and honour of heading the department of which he is now minister, this drug was brought to our attention as being highly dangerous and leaving dangerous effects.

• (2:50 p.m.)

The hallucinations it causes were of some attraction to certain people, but I thought we had it under control. I realize that in recent years illicit traffic has developed. The minister has mentioned that the R.C.M.P. are endeavouring to prohibit the smuggling of LSD into Canada, and I think the control of its production under one manufacturer does give complete control through all legal channels.

I appreciate that the minister is faced with a problem, but on hearing his statement I am happy to realize that his department is on top of the matter and is using all its energies to control the situation.

Mr. William Dean Howe (Hamilton South): Mr. Speaker, the minister's statement on LSD covers the fact that this is a problem, but so far as I can see does not outline specifically what can be done to solve what could be a rather serious difficulty.

What we are interested in are the methods to be used in controlling it. Food and drug regulations cover this to a certain extent by powers given to the minister in regard to its distribution and manufacture. The drug has a tremendous potential for medical research and should not be curbed in this respect. However, the real danger of this drug lies not in the control of its lawful manufacture and importation but the ease with which it can be made by amateurs and made available to younger people for the production of kicks. It is ignorance of this kind in younger people that produces the actual danger.

Therefore I feel the secret of control is in the education of all Canadians as to its uses, values and dangers, more particularly its dangers. Let us not wait until it is too late to do something, but let us do something now in a preventive way before we have to face a dire catastrophe.

VOCATIONAL AND TECHNICAL TRAINING

PROVISION FOR ALLOWANCES TO PERSONS BEING TRAINED

Hon. Jean Marchand (Minister of Citizenship and Immigration) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure respecting allowances to persons being trained under technical and vocational training programs, and to authorize the entering into agreements with the provinces in connection therewith; and to provide further for certain changes incidental thereto in connection with the administration of the Unemployment Insurance Act.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

Y.W.C.A. RESOLUTION RESPECTING RECREATION SPACE

Question No. 167—**Mr. McCleave:**

1. Has the government, or any department thereof, or the Central Mortgage and Housing Corporation, received Resolution 17, passed at the 22nd national convention of the Y.W.C.A. of Canada, concerning the need for adequate recreation space in many public housing developments?

2. If so, is consideration being given to the resolution and has any policy been formulated to implement the resolution?

Hon. Judy V. LaMarsh (Secretary of State): 1. No.

2. See 1 above. However, in the development of multiple unit projects arrangements are made, where possible, for the provision of open areas with recreation facilities for the use of children. Public housing projects should not be expected to bear the costs of providing community recreational facilities. Such projects should be integrated with the neighbourhood and share municipal recreational and park facilities.

RAILWAY ACCIDENTS

Question No. 824—**Mr. Forrestall:**

1. In each of the years 1960 to 1965, what were the number of accidents, province by province, involving trains, both freight and passenger, on (a) all C.P.R. lines (b) all C.N.R. lines?

2. What loss of life was incurred in each of these accidents?

3. What is the dollar cost for repairs to both trains and roadbeds resulting from these accidents and to other public and private property?

4. What was the cause of each accident?

Questions

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The Board of Transport Commissioners for Canada advise as follows:

1. Statistics regarding accidents reportable to the Board in accordance with section 288 of the Railway Act (except statistics regarding highway crossing accidents) are not maintained on a provincial basis. However, there is a statement included in the annual report of the board which shows the number of accidents, the number of persons killed and injured on the Canadian National Railways, Canadian Pacific Railway Company and miscellaneous railways. These accidents are divided into different categories showing the number of accidents which occurred under various causes. These statistics are given in the board's annual report as follows: Annual report for 1960, Statement No. 3, Page 63; Annual report for 1961, Statement No. 3, Page 73; Annual report for 1962, Statement No 3, Page 73; Annual report for 1963, Statement No. 3, Page 73; Annual report for 1964, Statement No. 2, Page 71.

As stated above, statistics regarding highway crossing accidents are maintained on a provincial basis. This information is included in the annual reports of the board as follows: Annual report for 1960, Statements 4 and 5, Page 65; Annual report for 1961, Statements 4 and 5, Page 75; Annual report for 1962, Statements 4 and 5, Page 75; Annual report for 1963, Statements 4 and 5, Page 75; Annual report for 1964, Statements 3 and 4, Page 74.

2. See answer to 1.

3. This information is not available in the board's records.

4. See answer to 1.

PERSONS SERVING COMMUTED DEATH SENTENCES

Question No. 954—**Mr. Bell (Carleton):**

1. Referring to the table and supplementary table appearing as Appendix "D" to the white paper on capital punishment dated June 14, 1965, of the persons sentenced to death since 1920 whose sentence was commuted, how many, tabulated according to year of conviction as shown on said tables (a) are still imprisoned and have been continuously imprisoned since commutation (b) were released from imprisonment but returned thereto for breach of parole or other reason, and are now imprisoned (c) are now free from imprisonment (d) died in prison?

[Mr. Forrestall.]

2. Of the persons referred to in part 1(c), what term of years was served before release from imprisonment, this information being assembled so far as may be practical into a table showing the number of convicted persons released after particular periods of imprisonment?

3. Since the coming into force of chapter 44 of the statutes of 1960-61 have any persons convicted of (a) non-capital murder (b) capital murder, whose sentences were commuted, been released from imprisonment and, if so, how many in each category and what was the term of imprisonment served by each releasee in each category?

Hon. L. T. Pennell (Solicitor General): 1. (a) The following is a list tabulated according to year of conviction of those inmates who were convicted of murder, and whose sentences were commuted to life imprisonment and who are still imprisoned, and have been continuously imprisoned since their sentences were commuted: 1922, 1; 1924, 4; 1931, 1; 1932, 1; 1933, 1; 1934, 1; 1936, 1; 1938, 1; 1940, 1; 1946, 2; 1950, 3; 1951, 1; 1952, 1; 1953, 5; 1954, 1; 1955, 5; 1956, 2; 1957, 4; 1958, 10; 1959, 11; 1960, 5; 1961, 11; 1962, 3; 1963, 10; 1964, 8; 1965, 7; Total 101.

1. (b) The following is a list tabulated as to year of conviction of men who were convicted of murder and whose sentences were commuted to life imprisonment, who were released on parole, and whose paroles were revoked, and they were returned to prison. The list shows the year of conviction, the time served when parole was granted, the year in which each was paroled and the year in which each parole was revoked.

Year sentenced	Time served years	Year paroled	Year revoked
1920	10	1930	1932
1940	17	1957	1958
1943	12	1955	1959
1946	16	1962	1964

The first of these men who was convicted in 1920, and revoked in 1932, was reparoled in 1949, and his parole was revoked again in 1962.

The second man was convicted in 1940, and he was revoked in 1958; he was reparoled in 1960 and his parole was revoked a second time in 1962.

Therefore, the answer to question 1(b) is that four men, as mentioned above, were released from imprisonment and were returned thereto, and are now in prison. Besides this, five inmates who had been released on

parole had their paroles revoked and were subsequently reparoled.

1. (c) The following is a list of the persons convicted of murder whose sentences were commuted to life imprisonment, who have been paroled, and are now free from imprisonment, tabulated according to the year of conviction:

Year sentenced	Now free	Year sentenced	Now free
1. (c)			
1912	1	1938	4
1914	2	1939	3
1915	1	1940	7
1916	2	1941	2
1917	2	1942	4
1918	2	1943	1
1919	1	1944	2
1920	5	1945	2
1922	2	1946	4
1923	1	1947	2
1924	3	1948	3
1925	4	1949	5
1926	1	1950	1
1927	2	1952	1
1928	2	1953	4
1929	2	1954	2
1930	1	1955	2
1931	2	1956	4
1933	2	1958	1
1934	1	1959	1
1935	2	....	.
1936	3	....	.
1937	4	....	.

Total now free: 103.

1. (d) The following list shows the number of men who were sentenced to death, and whose sentences were commuted to life imprisonment, who died in prison, tabulated as to year of conviction: 1920, 1; 1921, 1; 1922, 1; 1923, 1; 1926, 1; 1927, 1; 1932, 1; 1938, 1; 1944, 2; 1946, 1; 1956, 1; 1958, 1; 1960, 1; 1962, 1; Total 15.

2. The following is a list that shows the number of persons released on parole, from a commuted sentence of death, and a breakdown of the number of years served by each person before being granted parole.

Questions

Years served	Inmates involved
1 — 2	0
3 — 4	2
5 — 6	3
6 — 8	9
9 — 10	17
11 — 12	12
13 — 14	18
15 — 16	23
17 — 18	11
19 — 20	4
21 — 22	3
23 — 24	0
25 — 26	1
	103

3. (a) The answer to this is: none.

3. (b) The answer to this is: none.

CENTENNIAL YOUTH PARLIAMENT

Question No. 1,059—**Mr. Olson:**

1. What is the present status and situation respecting the proposed centennial youth parliament?

2. Has there been any new and recent initiative taken to develop a viable program in regard to the centennial youth parliament?

3. Does the government and the centennial commission support this project?

Hon. Judy V. LaMarsh (Secretary of State): 1, 2 and 3. See statement by the Secretary of State on page 4070 of *Hansard* for April 20, 1966 in reply to an inquiry as to organization of youth parliament by Mr. J. M. Forrestall.

CIVIL SERVICE COMPETITION 66-T-609

Question No. 1,132—**Mr. Loney:**

1. Was an application for Civil Service of Canada competition No. 66-T-609 received from Mr. Robert J. McEwan, IA Falcon Lane, Highland Creek, Westhill, Ontario?

2. Was the applicant one of the successful candidates?

3. If not, what were the reasons?

Hon. Judy V. LaMarsh (Secretary of State): 1. Yes.

2. No.

3. Competition 66-T-609 was open to residents whose nearest postal centre is Kincardine. Mr. McEwan, who lives in Westhill, Ontario, was therefore not eligible to compete.

Questions

CANADIAN BORN CHINESE VISITING U.S.

Question No. 1,135—**Mr. Howe (Hamilton South):**

Has the government received complaints or information concerning discrimination against natural-born Canadian citizens of Oriental extraction attempting to enter the United States as visitors and, if so, has the government considered any steps to facilitate the entry of such citizens?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Secretary of State for External Affairs as follows: The government is aware of one incident which occurred in early December 1965 at a United States port of entry on the Canadian border where a natural born Canadian citizen of Chinese extraction, seeking entry into the U.S. as a visitor, was reported to have met discriminatory treatment. At our request an investigation of this incident was conducted and revealed that in this instance a misunderstanding appears to have arisen with respect to the procedure followed by a customs officer acting on behalf of an immigration officer.

The government took this opportunity to discuss the relevant U.S immigration regulations with the United States authorities and obtained from them confirmation that under present US immigration laws the norms for admissibility of non-immigrants are applied equally to all Canadians regardless of their racial origin

APPLICATIONS FOR RESEARCH GRANTS

Question No. 1,216—**Mr. Orlikow:** *Supplementary*

Has the Department of National Health and Welfare received any applications for grants to finance research projects and, if so (a) how many in each of the past three years (b) what was their total dollar value (c) how many were approved in full (d) how many were approved in part only (e) how many were refused, and in each case, for what reason or reasons?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Yes.

	1963-64	1964-65	1965-66
(a)	13	19	20
(b)	$ 137,789	$ 251,380	$ 285,553
(c)	7	4	9
(d)	1	9	3
(e)	5	6	8

[Miss LaMarsh.]

Research projects do not receive approval, as submitted under the national welfare grants, when they exceed the funds allocated for this purpose or when they are considered by appraisers, consultants and the advisory committee to be poorly designed or unsound research.

EXPENDITURES ON SCIENTIFIC RESEARCH

Question No. 1,297—**Mr. Woolliams:**

How much money has been spent by the federal government toward scientific research in Canada for each of the years 1956 to 1966, inclusive?

Hon. E. J. Benson (Minister of National Revenue): The following table gives gross expenditures by the federal government for research and development and scientific activities both in house and extramural:

Year	In millions
1955-56	172.1
1956-57	194.4
1957-58	195.7
1958-59	222.6
1959-60	212.3
1960-61	228.8
1961-62	258.9
1962-63	255.7
1963-64	296.6
1964-65	333.6
1965-66	360.0 (estimated)

The source of data for the years 1956-58 is the Glassco report. Data for years 1958-63 is from D.B.S. biennial reports. Data for 1964-66 is from information supplied by departments and agencies to D.B.S. for compilation.

ENAMEL AND HEATING NEGOTIATIONS

Question No. 1,372—**Mr. Coates:**

Were officials of the Department of Industry, or the Department of Defence Production, involved in the contract negotiations between Enamel and Heating Products Limited and Douglas Aircraft with regard to an aircraft contract and, if so (a) what was the involvement (b) what was the result of the negotiations?

Hon. C. M. Drury (Minister of Industry): At the request of both companies officials of the Department of Industry have been involved in bid negotiations between Enamel and Heating Products Limited and the Douglas Aircraft Company with respect to the possible manufacture, under sub-contract, of certain component parts for the Douglas DC-9 short range jet aircraft. (a) The involvement has

been to assist in bringing the two parties together and in the review of data required in Enamel and Heating Products' proposal to the Douglas Aircraft Company. (b) The result of the bid negotiations is that Douglas, after considerable review, finally decided on 28 April not to subcontract the work under consideration to Enamel and Heating Products.

ENAMEL AND HEATING CONTRACTS WITH CANADAIR

Question No. 1,373—**Mr. Coates:**

1. What contracts, or sub-contracts, have Enamel and Heating Products Limited received for the present fiscal year from Canadair Limited?

2. What is the man-hour content of the contracts, or sub-contracts, and what aircraft are involved in the contracts in question?

3. What is the estimated expenditure involved in these contracts and/or sub-contracts?

Hon. C. M. Drury (Minister of Industry): In so far as the Department of Defence Production is concerned: 1. Canadair Limited has not issued any contracts to Enamel and Heating Products Limited during the present fiscal year, but one contract is presently being processed.

2. Although the current work content of the contract is being processed at an interim figure of 5,000 man hours, it is estimated that the eventual total work content of this contract will be approximately 35,000 man hours during the present fiscal year. It is also anticipated that additional minor spares manufacturing contracts will be issued with an estimated work content of approximately 7,000 man hours.

The estimated work packages referred to above are for components for Argus, CF-104 and T-33 aircraft being processed at Canadair Limited.

3. The estimated expenditure of all contracts and/or subcontracts to be issued by Canadair Limited to Enamel and Heating Products Limited will be approximately $230,000.

FOREIGN LOANS

Question No. 1,376—**Mr. Godin:**

During the last five years, has the Government of Canada contracted loans with any foreign countries and, if so, for each such loan (a) from what country was the money borrowed (b) what was the total amount (c) what is the interest rate (d) what is the due payment date?

Hon. Mitchell Sharp (Minister of Finance): In June, 1962, the government of Canada contracted a line of credit of $400 million with the Export-Import Bank of Washington, an agency of the United States of America. The line was not used and it was reduced to $250 million in mid-September and terminated on January 3, 1963. The government paid a commitment fee of ¼ of 1 per cent per annum on the amount of the line of credit. No other loans have been contracted by the government of Canada with the governments of foreign countries during the last five years.

DEBTS OWED U.S. AND U.K.

Question No. 1,377—**Mr. Godin:**

1. Does Canada owe any sums (a) to the United States (b) to England?

2. If so (a) how much (b) at what interest rate was each amount contracted (c) when is the payment due (d) as of the due date, what is the amount the government expects to have paid on each of these outstanding loans?

Hon. Mitchell Sharp (Minister of Finance): 1. The government of Canada does not owe any sums to the government of the United States or the government of the United Kingdom.

2. Not applicable.

*EXPO '67—OPENING AND DEFICIT

Question No. 1,382—**Mr. Coates:**

1. Will Expo '67 be in a position to open as scheduled on April 28, 1967, with all projects at present planned fully completed?

2. What is the present anticipated deficit that has been agreed upon by the governments concerned?

3. Have any projects originally planned been cancelled or substantially reduced in size and, if so (a) what are these projects (b) what was the original estimated cost of each (c) what is the present estimated cost of each?

4. On what date will the estimates of the Department of Trade and Commerce involved in expenditures of Expo '67 be available for consideration by the standing committee on finance, trade and economic affairs?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. It is anticipated that Expo '67 will open as scheduled with all projects at present planned fully completed.

2. 82.7 millions.

Questions

3. Cancelled or reduced projects of CCWE:

Project	Original Estimate	Current Estimate
(a) Heating & Cooling Plants	$1,300,000	—

Remarks: Original plans called for the construction of plants to produce and sell steam and chilled water to all buildings. Feasibility studies indicated poor economic returns and the project was cancelled in 1964.

(b) Habitat '67 $45,000,000 $15,000,710

Remarks: As a result of the feasibility studies, the project was reduced from 968 units to 158 units.

(c) Expo Theatres $7,000,000 $2,570,000

Remarks: Due to the lack of suitable theatres in Montreal, CCWE proposed to construct two permanent theatres of 1,800 seats and 400 seats respectively. The city of Montreal later agreed to proceed with the completion of Place des Arts and the CCWE program was reduced to a 2,000 seat temporary theatre.

(d) Telecanape $ 860,000 $ 200,000

Remarks: A transportation system purchased but not now required due to the cancellation of the Paris-Montreal tower. It is expected that the "current estimate" will be reduced by re-sale.

4. The Standing Committee on Finance, Trade and Economic Affairs is expected to begin its consideration of the estimates of the Department of Trade and Commerce on Tuesday, May 17, 1966. It is the Minister's intention to extend an invitation to the Committee to visit the site of Expo '67 and to meet with officials of the Corporation in Montreal.

[*English*]

GOVERNMENT DEBT TO CHARTERED BANKS

Question No. 1,387—**Mr. Godin:**

Is any money owed by the Government of Canada to the Canadian chartered banks and, if so (a) to what banks is it due (b) what is the amount owing in each case (c) what is the percentage of interest charged to the government?

Hon. Mitchell Sharp (Minister of Finance): The government of Canada does not owe any money to Canadian chartered banks as a result of direct borrowing. These banks do however, hold large amounts of government of Canada marketable securities. Holdings by banks as at the end of March 1966 are as follows, (in thousands of dollars):

Name of bank	Government of Canada treasury bills, at amortized value	Other government of Canada direct and guaranteed securities maturing within two years, at amortized value	Government of Canada direct and guaranteed securities maturing after two years, at amortized value	Total
	$	$	$	$
1. Bank of Montreal	256,624	212,201	295,245	764,070
2. The Bank of Nova Scotia	141,964	63,120	172,620	377,704
3. The Toronto-Dominion Bank	162,670	90,745	142,149	395,564
4. The Provincial Bank of Canada	35,264	10,494	31,945	77,703
5. Canadian Imperial Bank of Commerce	321,023	329,138	364,237	1,014,398
6 The Royal Bank of Canada	383,027	203,284	343,573	929,884
7. Banque Canadienne Nationale	73,520	29,164	82,437	185,121
8. The Mercantile Bank of Canada	3,444	5,038	5,683	14,165
Total	1,377,536	943,184	1,437,889	3,758,609

SOURCE: Chartered banks of Canada. Statement of assets and liabilities as at March 31, 1966. Supplement to the *Canada Gazette*, April 30, 1966.

[Mr. Cantin.]

STORAGE OF DEFENCE PRODUCTION EQUIPMENT

Question No. 1,388—**Mr. Godin:**

1. How many units of the following unused equipment are stored in the warehouses of the Department of Defence Production (a) underwear (b) towels (c) linen (d) shirts (e) trousers (f) shoes (g) stockings (h) wooden ladders (i) aluminum ladders?

2. For each of the abovementioned number of items, (a) how much did the government spend for manufacturing or buying these items (b) were they manufactured in Canada or abroad?

[*Translation*]

Hon. C. M. Drury (Minister of Industry): In so far as the Department of Defence Production is concerned:

Warehousing and Distribution Branch

1. (a) Nil; (b) Nil; (c) Nil; (d) 483; (e) 32 prs.; (f) Nil; (g) Nil; (h) Nil; (i) 101.

2. (a) Purchase price: Item 1(d) 206 at $3.50 each and 277 at $3.55 each; Item 1(e) $11.95 each; Item 1(i) Ranging in price from $10.80 for 5′ Step Ladder to $65.00 for 14′ Step Ladder.

(b) All items Canadian manufactured.

Note: The above mentioned items have been transferred from the Department of Public Works to the No. 1 Canadian Government Supply Centre and will be reissued to that Department on request.

Emergency Supply Planning Branch

1. None. However, the following list of new and reconditioned clothing stores, some of which were purchased over 20 years ago, were declared surplus by DND and it was proposed to ask Crown Assets Disposal Corporation to dispose of them. After inspection of the items it was decided that they could be valuable for use by the Emergency Welfare Services of the Department of National Health and Welfare in case of national emergencies.

Consequently, it was arranged that the goods be transferred to ESPB but to remain stored in DND Warehouses throughout the country and the Department of Defence Production to pay warehouse charges. A percentage of the clothing stores has already been transferred and arrangements for responsibility for the balance are being made.

An effective working arrangement has been completed between DND, DDP, and the Emergency Welfare Services of the Department of National Health and Welfare, whereby regional Emergency Welfare Services representatives may call for the provision of such clothing stocks to meet a local disaster situation where such material is required and not quickly obtainable from other sources. (a) 703,051 units; (b) nil; (c) nil; (d) 116,121 units; (e) 226,909 pairs; (f) 104,853 pairs; (g) 110,366 pairs; (h) nil; (i) nil.

2. (a) The following are average prices for each item. (a) $3.50 per unit; (b) N/A; (c) N/A; (d) $3 per unit; (e) $5.90 per pair; (f) $3.70 per pair; (g) 85 cents per pair; (h) N/A; (i) N/A.

(b) All items Canadian manufactured.

[*English*]

*WINTER WORKS PROGRAM, 1966-67

Question No. 1,399—**Mr. Irvine:**

Has the government received a petition from the council of the corporation of the city of London asking for an advance announcement of a winter works program for the 1966-67 season, to be established early, in connection with centennial year projects and, if so, what action will the government take regarding this matter?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, the answer to the first part of the question is yes.

The answer to the second part is as follows. The operation of the municipal winter works incentive program is always considered on a year to year basis. An announcement concerning a 1966-67 program will be made as soon as possible.

RETRAINING COURSES FOR UNEMPLOYED

Question No. 1,407—**Mr. Dinsdale:**

1. How many unemployed Canadians took retraining courses in (a) 1963-64 (b) 1964-65 (c) 1965-66?

2. How many completed the course in each of the aforementioned fiscal years?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. Number of unemployed Canadians who took retraining courses in: (a) 1963-64, 48,923; (b) 1964-65, 59,840; (c) 1965-66, 79,623.*

2. Number who completed courses in: (a) 1963-64, 18,081; (b) 1964-65, 20,917; (c) 1965-66, 33,199.*

*Preliminary figures are shown for 1965-66; final figures will be available about May 31, 1966.

Questions

ARMED FORCES RECRUITING CAMPAIGN

Question No. 1,409—**Mr. Howe (Hamilton South):**

1. Has the government initiated an armed forces recruiting campaign on television or by any other media and, if so, what will be the duration of this campaign?

2. What is the anticipated cost to the government of this campaign?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. Recruiting advertising runs periodically throughout the fiscal year. All media are used including television, radio, newspapers, etc.

2. $817,000 is in the 1966-67 estimates for advertising.

OLD AGE SECURITY FUND

Question No. 1,425—**Mr. Winkler:**

What was the balance on account in the federal old age security fund as of December 31, 1965?

Hon. Mitchell Sharp (Minister of Finance): The balance at the credit of the old age security fund as at December 31, 1965, was $139,974,933.15.

ADVISORY COUNCIL, COMPANY OF YOUNG CANADIANS

Question No. 1,439—**Mrs. MacInnis (Vancouver-Kingsway):**

1. Did the government invite any women to serve on the 18-member provisional advisory council of the company of young Canadians?

2. If so (a) how many (b) who were they (c) did any of these refuse to serve and, if so, what was the reason of each for refusing?

3. What were the qualifications considered necessary for members of the provisional advisory council?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): 1. Yes.

2. Other persons were approached and found themselves unable to accept. It would be a breach of confidence to make public either their names or the reasons which prevented them from accepting the invitation.

3. It was considered desirable that members have been actively engaged in the youth community. Other factors considered were related experience, age, cultural and regional representation.

WHARF AND HARBOUR IMPROVEMENTS, LES MÉCHINS, QUE.

Question No. 1,444—**Mr. Keays:**

1. Were there any wharf or harbour improvements executed at Les Méchins in 1965?

[Mr. Munro.]

2. If so, were they undertaken by contract, day labour or otherwise?

3. If by contract, who were the bidders and who was awarded the contracts?

4. If by day labour or otherwise, who were the foremen in charge?

5. What amounts were paid for labour?

6. What amounts were paid for material?

7. Who sold the materials required for the jobs?

8. What was the total amount spent on the jobs?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes, wharf repairs.

2. By contract.

3. The bidders were: Charles Verreault, Boromée Verreault, Florian Pelletier. Contract awarded to Charles Verreault.

4. Department of Public Works inspector, Emilien Bernier.

5, 6 and 7. Not known. This is the responsibility of the contractor.

8. $3,909 for contract work and $296.30 for inspection cost.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT OFFICE SPACE, HALIFAX AREA

Question No. 607—**Mr. Forrestall:**

1. What is the present square footage of administrative space, other than for the Department of National Defence, at present in use in the city of Halifax, city of Dartmouth, and the county of Halifax, by the several departments and agencies of the government of Canada?

2. What portion is under lease to the Crown?

3. What portion is in Crown-owned space?

4. What is the highest rate being paid for leased or rented space with normal services?

5. What is the lowest rate for leased or rented space with normal services?

6. What plans are in motion to increase this space?

7. From what firms or individuals is space leased and what is the location?

Return tabled.

COMMEMORATION OF PRIME MINISTERS

Question No. 1,016—**Mr. McCleave:**

1. Which prime ministers of Canada are commemorated by having their names used for federal parks, public buildings, structures, edifices, highways, museums or other works of a federal public nature?

2. Who are the prime ministers so honoured, and to which of the above are their names given?

Return tabled.

RAILWAY STATISTICS

Question No. 1,159—**Mr. Grégoire:**

1. What is the total number of miles of track owned in each of the provinces of Canada by (a) the Canadian National Railways (b) the Canadian Pacific Railway?

2. What investments have been made by the government in each province for railway transportation, with regard to (a) the Canadian National Railways (b) the Canadian Pacific Railway?

3. What is the volume, and also the value, of the merchandise transported by rail in each province during the last 10 years?

4. In the province of Quebec (a) what capital investments have been made by the federal government for railway transportation (b) what is the total number of miles of track in each economic area?

Return tabled.

FEDERAL RIDINGS IN QUEBEC

Question No. 1,406—**Mr. Langlois (Megantic):**

What is the population and the area of each federal riding in the province of Quebec?

Return tabled.

LABOUR RELATIONS

QUEBEC—STOPPAGE OF WORK BY LONGSHOREMEN

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 in connection with the longshoremen's strike on the St. Lawrence and the calamitous potentialities of that strike. Has the minister received a suggestion that he should intervene personally; what has he done in that connection, and what are the hopes for a settlement before the results reach the point where they can only be detrimental not only to the export trade in general but to wheat deliveries in particular?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the minister has received more than one suggestion that he might intervene. I might say that I, as minister, was very disturbed to learn on Friday that one of the parties to the conciliation proceedings which opened on Thursday had withdrawn from the negotiating table on the ground, which they put forward, that the strike was a wildcat strike and therefore illegal.

Personally, after discussion with my officers and some of my colleagues, I feel this is a most unfortunate development. The chairman of the conciliation board let it be known that the board would sit again today at 2.30 p.m. or shortly thereafter. I am still awaiting a report as to what I hope might have happened this afternoon, at 2.30. The minister is quite prepared to take his part in the negotiations if he feels that is necessary or desirable. I am hopeful that reason will prevail at today's meeting, in view of telegrams from representatives not only of the federation but of the unions concerned, and that they will get down to brass tacks later today.

Mr. Diefenbaker: Mr. Speaker, I assume that the one party to which the minister has referred is the shipowners or employers. Has he communicated with them, and does he have any assurance that when Mr. Justice Prevost meets this afternoon as conciliator they will be present? What pressure or suggestion has been exerted by the minister or his officials on the employers or shipowners to get them to view this as a national matter rather than one which only affects them?

Mr. Nicholson: Mr. Speaker, at the risk of giving a prolonged answer perhaps I might read a copy of the telegram I sent to the shipowners on Friday evening. It was sent to the president of the shipping federation, and reads as follows:

It would appear that by the time I had an opportunity to consider your telegram today you had already advised the board of conciliation that you could not proceed with its hearings until the longshoremen obeyed the law and returned to work. I regret very much that the position of your federation may have the effect of preventing the critical negotiations before the board that are essential to a settlement of the dispute. Would urge that you facilitate arrangements for the conciliation board to meet over Saturday and Sunday, which are non-working days, without prejudice to your position on Monday. It is in the national interest as well as that of the members of your shipping federation that every effort be made to settle this dispute at the earliest time.

I am still waiting to find out what reaction there may have been when the conciliation board resumes this afternoon.

Mr. Diefenbaker: Mr. Speaker, would the minister put on record the telegram he received and to which he made reference?

Mr. Nicholson: I will be very glad to table the telegrams, Mr. Speaker.

Mr. Speaker: Is that suggestion agreeable?

Some hon. Members: Agreed.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to direct

a supplementary question to the Minister of Finance under whose jurisdiction the operations of the Canadian wheat board fall. Has he made representations to the Minister of Labour on behalf of the farmers of Canada, urging him to do everything possible to settle this dispute so that Canadian grain can reach its destination before the end of the crop year?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am quite sure the Minister of Labour is as sensitive to the needs of the western farmers as any member of this house.

[*Later:*]

Mr. Nicholson: Mr. Speaker, I rise on a question of privilege. A few moments ago I stated that I hoped the conciliation board which is working on the problems involved in the waterfront strike in Montreal would be sitting at about 2.30 this afternoon. I have just been advised that the meeting will be held at 4.30 because the learned jurist, who was good enough to accept this responsible appointment on short notice, had a commitment in the courts at 2.30 which had to be dealt with at that time. He has been working on this problem and was prepared to work over the week end. In any event, the conciliation board will reconvene at about 4.30 rather than at about 2.30 this afternoon.

ROYAL CANADIAN MOUNTED POLICE

PROTESTS RESPECTING ACTIONS IN B.C. LABOUR DISPUTE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I have a supplementary or related question I should like to direct to the Minister of Labour. Has he received any protests from the longshoremen on the west coast, who are on strike, in respect of the actions of the R.C.M.P.; and will the minister tell us what role is being played by the R.C.M.P. in this dispute?

Hon. J. R. Nicholson (Minister of Labour): Yes, Mr. Speaker. I am not sure, however, whether the minister received the messages to which the hon. member for Ontario has referred in his capacity as Minister of Labour or as the member of parliament for a Vancouver riding.

As most members of this house know, although a great many people in Canada do not, except in the major cities, in western Canada police work is done by the R.C.M.P., but the police work in the large municipality of Burnaby, which has a population of something over 100,000, is done under contract by the R.C.M.P., so that in effect the force is the local police force in that community. When disturbances arose it was only to be expected that the authorities would turn to that force for law enforcement and that is what has happened in British Columbia.

I was pleased to learn this morning that the attorney general of British Columbia has taken a special interest in the efforts to reach a settlement of this dispute in Burnaby. It has been a most unfortunate one resulting in far too much violence. In any event, the R.C.M.P. has been doing its duty as the local police force rather than as a national one. I thank the hon. member for his question because it has given me an opportunity to explain this to the people of Canada.

SPORTS

HOCKEY—RELATIONSHIP BETWEEN PROFESSIONAL AND AMATEUR LEAGUES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as an old sporting man I wish to address a question to the Minister of National Health and Welfare. In view of the national interest in professional and amateur hockey, has the minister any information to give the house in respect of the proposed study of the relationship between professional and amateur leagues, which is reported as being undertaken by a committee of the fitness council?

Mr. Speaker: Order, please. I doubt very much whether this question is of an urgent nature, and with respect I suggest the hon. member might place it on the order paper.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I rise on a question of privilege in relation to the subject of fitness and sport, and draw the attention of hon. members of this house to the fact that the University of British Columbia rugby team, which is presently touring eastern Canada, is at this time in the gallery.

Some hon. Members: Hear, hear.

[*Translation*]

NATIONAL DEFENCE

QUEBEC—R.O.T.P. SERVICE BY STUDENT PRESIDENT

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a question for the Associate

Minister of National Defence. It concerns the refusal of the Canadian armed forces to grant an exemption of one year to the president of the "Union Générale des Etudiants du Québec", which would have postponed for one year his enlistment in the Royal Canadian Air Force under the R.O.T.P. program.

Can the Associate Minister of National Defence advise the house whether he is aware of this refusal and whether it is his intention to make personal representations so that the armed forces grant this one-year exemption to allow the president to complete his mandate?

Mr. Speaker: Here again, I have doubts concerning the urgency or the general importance of the point raised by the hon. member in his question. It seems to me he could place it on the order paper and, if he prefers, raise it upon the adjournment motion.

Mr. Grégoire: Mr. Speaker, with regard to the question of urgency, the president of U.G.E.Q. has resigned because he was not granted this exemption and, as his resignation is now being considered by the association, the members of the "Union Générale des Étudiants du Québec" would like an answer as soon as possible so as to know whether or not they should accept this resignation. That is why the matter is urgent.

Mr. Speaker: It may be urgent but it is hardly a matter of national importance. The hon. minister might communicate with the hon. member and give him his answer; the hon. member could then communicate with those concerned.

[*English*]

CORRECTION OF FIGURES OF RECRUITMENTS AND RELEASES

On the orders of the day:

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, on Thursday, May 12 the hon. member for Winnipeg South Centre (Mr. Churchill) asked a question concerning withdrawals from the armed forces in relation to recruitments. In reply I gave some figures which had been handed to me but which related to voluntary releases only, and the figures I gave for voluntary releases were for 1965 rather than 1966. In giving the figures I omitted reference to the fact that they represented voluntary releases only.

I can assure the house that the omission was inadvertent. However, I want to apologize to the hon. member and to the house for presenting the figures in this fashion, and for the obvious discrepancy with the figures given in answer to a written question on May 9.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Associate Minister of National Defence. I wonder whether he would participate with the Minister of National Defence in advising the house that he also made a mistake on May 12, when according to page 5041 of *Hansard* the Minister of National Defence said:

> The Associate Minister has just given me figures which show that for the first three months of the year—

We have now had it disclosed that the figures were for 1965, and that the figures were wrong.

Hon. Leo Cadieux (Associate Minister of National Defence): Mr. Speaker, the figures were wrong. The figures for 1966 were 1,600 instead of 2,400, so that actually the situation is not as bad as my hon. friend would paint it. I made a mistake in handing the figures to the minister because they were computed in a different way, so if I did mislead the hon. gentleman I would apologize; but I want to remind him that the figures are 1,606 compared to 2,300 and something.

CANADIAN CENTENNIAL

INVITATION TO COMMONWEALTH AIRMEN TRAINED IN CANADA

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, my question is directed to the Minister of Labour in his capacity as one of the vice chairman of the centennial committee. Would the minister take up with the centennial committee the possibility of inviting to our centennial celebrations those airmen of the commonwealth who trained in Canada under the commonwealth training plan during the war? In support of my request I put forward the fact that on my recent trip down under, the New Zealand and Australian air force veterans asked if this invitation would be forthcoming.

Mr. Speaker: Order. I am sure the hon. gentleman's remarks will be considered, but I doubt if this question can be asked at this time.

Inquiries of the Ministry

NATIONAL GALLERY

REPORTED INTENTION TO PURCHASE $6 MILLION PICTURE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Secretary of State. Can the minister tell us about the $6 million picture that her department is reported to be purchasing for the National Gallery?

Hon. Judy V. LaMarsh (Secretary of State): There was no such report at all. The report, as I understand it, was that I said I should like to have such a picture purchased as a standard of excellence at which all Canadians might aim for their artistic lives. It was made very clear that this was my view. It has never been discussed with my colleagues, most notably the Prime Minister or the Minister of Finance. I was very happy to mention it in order to try to obtain the reaction of those present, which was very enthusiastic. I also wanted—

Mr. Starr: How about raising old age pensions?

Miss LaMarsh: —to obtain the reaction of the rest of the country. I know my hon. friend who is now speaking, the former minister of labour, while he was in office informed Canadians that that government did not have any interest in the National Gallery. However, we are interested in it.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the Prime Minister whether any discussions have taken place with regard to the Hirschorn art collection which this gentleman brought together as a result of the wealth he earned in Canada. Has there been any suggestion that this art collection should be made available to Canada rather than transported out of Canada to the United States.

Mr. Speaker: Order. The subject to which the right hon. Leader of the Opposition refers is not within my immediate knowledge, and I do not know to what extent it could be urgent. Perhaps the right hon. gentleman might indicate in what way it is, so I might allow the question.

Mr. Diefenbaker: I cannot imagine anything more urgent than the report that within three or four days this is going to take place. I do not know of any other opportunity of referring to the matter. We may lose this art collection, unless of course it is impossible for Canada to secure it in any way.

[Mr. Speaker.]

Right Hon. L. B. Pearson (Prime Minister): I have had no discussions with Mr. Hirschorn on this matter. I understand from what I have read that these pictures are not at the moment in Canada but are in the United States, although I know he has had pictures in Canada. I am sure we would welcome any donation to the National Gallery which might save us $6 million, if Mr. Hirschorn would find it possible to have some of his pictures donated. In fairness to him, in view of what the right hon. gentleman has said, I think it should be noted that Mr. Hirschorn made a good deal of his money in the United States, as well as some of it in Canada.

Mr. Starr: Tell him to leave half the pictures, then.

Miss LaMarsh: I might also give some information to the right hon. gentleman in this connection. I checked on this matter this morning, and I am informed that in 1958 the then directors of the gallery, Dr. Jarvis and Dr. Hubbard, did have some conversations with Mr. Hirschorn with respect to his collection, which I understand has always been in the United States although it has been on loan to us and we did have a Durer Sketch at one time. The indication then was that the owner of these art works intended to build himself a gallery in New York similar to the Guggenheim gallery to house his own very massive collection.

There has been no indication since 1958 that he has changed his mind. In fact we are informed that the agreement between the President of the United States and this gentleman will involve an investment of several million dollars by the United States government for the construction of a new museum expressly for that purpose.

Mr. T. S. Barnett (Comox-Alberni): May I ask a supplementary question arising out of the answer of the Secretary of State. I wonder if this is one of the situations in which the Minister of Finance would be disposed to yield to pressure?

Hon. Mitchell Sharp (Minister of Finance): This is a hypothetical question.

FISHERIES

LAKE ERIE—REQUEST FOR STABILIZATION OF PRICES

On the orders of the day:

Mr. Jack Roxburgh (Norfolk): I have a question for the Minister of Fisheries. With

the Lake Erie fishing industry still in a rather chaotic condition as a result of the extremely low prices paid for fish, has the minister given consideration to stabilizing the price through the federal stabilization board? If so, when may we expect an announcement on the decision made?

Hon. H. J. Robichaud (Minister of Fisheries): Representations have been made by the industry, and the officials of the fisheries prices support board are now completing an investigation. They are expected to report to the board very shortly.

B.C. SALMON—REQUEST FOR REPORT ON NEGOTIATIONS WITH U.S.

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Fisheries, and I ask it now inasmuch as tomorrow in Seattle, Washington, another meeting will open relating to problems of joint concern to Canada and the United States. I ask the minister whether any proposal has been made to the United States that Canada will desist from salmon net fishing operations on Juan de Fuca strait if the United States will cease and desist from net fishing British Columbia bound salmon through Alaska waters.

Hon. H. J. Robichaud (Minister of Fisheries): The position being taken by Canada is well known. It will be the same position that was taken in Ottawa in February and at the previous meeting which was held in Washington last fall.

Mr. Howard: I wonder if the minister would mind answering the question I put to him, namely, did Canada offer to cease net salmon fishing in Juan de Fuca strait in return for the United States ceasing fishing home bound British Columbia salmon in Alaskan waters?

Mr. Robichaud: The details of the position taken by Canada will be known at the meeting that will open tomorrow in Seattle. I have nothing to add to what was reported following the meeting held in Ottawa early in February.

CANADIAN BROADCASTING CORPORATION

REQUEST FOR REPORT ON WORK OF MEDIATOR

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister supplementary to the question I asked him on Friday morning. At that time I asked if he would have consultations with Mr. Keate and get a report on the results of his efforts in connection with the dispute between management and producers of the Canadian Broadcasting Corporation. In view of the fact that Mr. Keate has gone back to Vancouver, and in view of what we read in the press, I wonder if the Prime Minister could now make a statement to the house on what Mr. Keate has reported to him.

Right Hon. L. B. Pearson (Prime Minister): He has only reported to me he has gone back to British Columbia so he can write his report in calm and peace. He is working on it there and expects, I understand, to have it in my hands next week.

[*Translation*]

REFUSAL OF PREMIER TO APPEAR

On the orders of the day:

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, may I put a question to the hon. Secretary of State?

Does the hon. minister know why the premier of the province of Quebec should have refused to participate in the broadcasts "Sel de la semaine" and "Rencontres" which are organized, prepared and produced by the public affairs section of the C.B.C.?

Mr. Speaker: This question is out of order.

[*English*]

VETERANS AFFAIRS

INQUIRY AS TO LEGISLATON THIS SESSION

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I wish to direct my question to the Minister of Veterans Affairs. Will the minister inform the house whether it is his intention to present any legislation concerning veterans affairs at this session, particularly with regard to the deletion of the 365 day section of the War Veterans Allowance Act?

Hon. Roger Teillet (Minister of Veterans Affairs): I indicated earlier in answer to a question of this kind that I am waiting for the report of the Wood committee before I decide on what legislation can be introduced. Until I have that before me to decide what bearing it may have on other legislation, it is difficult to reach a conclusion.

Inquiries of the Ministry

Mr. McIntosh: May I ask a supplementary question, Mr. Speaker. May I inform the minister that the War Veterans Allowance Act is not under—

Mr. Speaker: Order. The hon. member cannot inform the minister of anything.

BUSINESS OF THE HOUSE

COMMITTEE CONSIDERATION OF YUKON ACT AMENDMENT

On the orders of the day:

Mr. Erik Nielsen (Yukon): May I direct a question to the government house leader and ask him if, since last Friday, he has had an opportunity of discussing with his colleagues the question of referring Bill No. C-147, to amend the Yukon Act, to the standing committee on northern affairs and national resources.

Hon. G. J. McIlraith (Minister of Public Works): No, not yet, Mr. Speaker.

INQUIRY AS TO FORTHCOMING LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister whether he is yet in a position to give the house the list of legislation that he promised last Thursday he would give at an early date. I refer to the list of important items of business that the government plans for this session.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not in a position to do that today. I have been discussing the matter with some of my colleagues this morning, and as a result of that discussion it will be possible in a day or two to discuss with the house leaders of the other parties the possibility of a planned program from now until say midsummer.

POWER

COLUMBIA RIVER—OBSERVANCE OF BILL OF RIGHTS BY PROVINCIAL AUTHORITY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Justice. There is some urgency about it. I have been asked this question by employees working on the Columbia river treaty projects who want to know where they stand.

[Mr. Teillet.]

In view of the agreements between the government of Canada and the government of British Columbia with respect to the Columbia river treaty and protocol, would the minister inform the house if under these agreements there is any obligation, expressed or implied, on the part of the government of British Columbia that the B.C. power and hydro authority will be required to observe the provisions of the Canadian Bill of Rights in its dealings with its employees and all other persons?

Mr. Speaker: Order. The hon. member is now asking for a legal interpretation or opinion, and for this reason the question cannot be accepted.

COLUMBIA RIVER—AMOUNT PAID BY U.S. AND EXPENDITURES BY B.C.

On the orders of the day:

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): While I am on my feet, Mr. Speaker, may I answer the hon. member for Kootenay West. He has been very good today and has not had many answers.

Recently the hon. member for Kootenay West asked me for a comparison between United States payments—he referred to them as contributions, but they are in fact payments—to the cost of Columbia river projects in Canada and the amounts being spent by British Columbia on those projects. This information was confidential. However, always eager to please the hon member for Kootenay West, I have obtained authorization from the government of British Columbia to make these figures available to the public now. I am told that as of March 31 this year the Columbia river treaty fund, including interest earned, stood at $295,917,782. Expenditures on treaty projects by British Columbia at the same date, including interest charged, stood at $97,914,505.

Mr. Herridge: That shows where we are going.

STATEMENT ON NATIONAL GRID STUDY

On the orders of the day:

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, may I give some information to the hon. member for Qu'Appelle in answer to a question he raised on May 10 having to do with the national power grid.

The interim report by T. Ingledow and Associates Limited has been distributed to

the members of the federal-provincial working committee on long distance transmission, and is being studied by that committee in conjunction with the consultants. They had a meeting here last week, for example. When this review is completed the consultants will present their final report on the stage II assessment and the committee will then be in a position to submit recommendations to the appropriate ministers of the governments concerned. Pending receipt of the technical advice of our committee, there is nothing to report other than this progress.

The second part of the question, Mr. Speaker, has to do with discussions between myself and the Ontario government regarding the inter-connection between Sudbury, Ontario and Manitoba. No such discussions have taken place, Mr. Speaker. The provinces, however, have provided their normal development proposals for use in the federal-provincial long distance transmission study, and Ontario's plans have been made a part of that study.

TRADE

TORONTO—IMPORTS OF FOREIGN GASOLINE AT DISTRESS PRICES

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys. I gave him only very brief notice of the question, so he may not have the answer ready at the moment.

Can the minister state what action will be taken in response to the urgent protest made by the Ontario retail gasoline and automotive service association on behalf of the service station industry, to the effect that the government's national oil policy was being disrupted by recent imports into Toronto harbour of three million gallons of foreign gasoline at distress prices?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, a protest has just been received by the National Energy Board a few minutes ago and they are presently investigating the matter. If the situation should be as the hon. member defines it, then it will be for the Department of National Revenue to take the necessary steps. But again, the matter is being investigated.

Inquiries of the Ministry

DOMINION-PROVINCIAL RELATIONS

VACANCY IN SECRETARIAT OF RESOURCE MINISTERS COUNCIL

On the orders of the day:

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, while the house is very quiet this afternoon may I answer another question which was asked by the hon. member for Brandon-Souris, who inquired whether Mr. Walter Gray, formerly public relations and information officer for the Canadian council of resource ministers, had been replaced. I have now received information to the effect that he has not yet been replaced, but I am told that Mr. Edgar Sarton is presently carrying out these duties until a replacement is found for Mr. Gray.

I have other replies, Mr. Speaker, but I will give them tomorrow.

HEALTH AND WELFARE

REQUEST FOR REPORT ON NEW CANCER TREATMENT

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Can the minister advise whether he is now able to report on his investigation into the work of Doctors Mirkovich on an anti-cancer hormone made by the Ontario Cancer Treatment and Research Foundation?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, a similar question was asked the other day by the hon. member for Winnipeg North Centre and I promised at that time that I would make a statement in reply. I will now do so in reply to the question put to me by the hon. member for Queens.

Dr. Mirkovich was in touch with the Department of National Health and Welfare early this year and also some weeks ago asking that clinical tests be conducted of this alleged cure by the Department of National Health and Welfare. The Department of National Health and Walfare does not have the clinical facilities to test any such drug, although the department does support the National Cancer Institute and provincial activities in the field of clinical testing.

With respect to the appropriate rules that must be followed under the Food and Drug Act, I should state that in order for this drug

to be approved as a new drug certain preclinical testing has to be conducted, and the composition of the drug made known to the officers of the department. Dr. Mirkovich has been made aware of these regulations and has been given a full explanation of the requirements to be met before distributing a new preparation for clinical trials. The purpose and intent of these new drug regulations are to ensure that clinical investigators have a background of knowledge about the new drug before administering it to patients. In this way the clinician is able to make a sound judgment as to the validity of the use of the drug in humans.

The regulations provide assurance to both the clinical investigator and the patient that the necessary tests have been carried out prior to the administration of the drug to the patient.

I should say in summary, this being an important question and we all being concerned about a solution to the disease of cancer, that the department has attempted to be helpful but is not in a position to carry out the clinical testing which is requested by Dr. Mirkovich. I am hopeful that these important clinical tests can be undertaken under the auspices of agencies which have facilities to make such tests.

EXTERNAL AFFAIRS

MAINLAND CHINA—POSSIBILITY OF RECOGNITION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister be in a position to report on any discussions he has had with Ambassador Arthur Goldberg; and has there been any agreement arrived at with the United States respecting the recognition of communist China, in accordance with the interpretation placed by objective reporters on the address delivered in the United States last week by the Prime Minister?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, discussions have been going on with Ambassador Goldberg under the auspices, on our side, of the Secretary of State for External Affairs. I expect to participate in those discussions later this afternoon, so perhaps the right hon. gentleman would wait until tomorrow for any statement in regard thereto.

[Mr. MacEachen.]

VIET NAM—REQUEST FOR STATEMENT ON PRESENT SITUATION

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, my question is for the Secretary of State for External Affairs. Having in mind today's news from Viet Nam, I wonder whether the minister could give the house his opinion as to the confused situation there today.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have just received notice of my hon. friend's intention to ask this question. I am sure he will appreciate that it would not be possible to relate the efforts of this country and the efforts of the members of the international control commission to the events reported in South Viet Nam this morning. I may say, however, that the Canadian proposal continues to be one that is foremost in our minds. I took advantage of the presence of United States Ambassador Goldberg to discuss certain aspects of the matter this morning. This proposal, together with other Canadian efforts, will be related to the situation in Viet Nam in an effort to contribute to the possibility of a negotiated settlement in that situaion.

RHODESIA—REQUEST FOR REPORT ON CURRENT TALKS

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Can the minister inform the house whether he has had any recent word from the British government about the negotiations that are going on between certain officials from Rhodesia and officials of the British government with regard to settling the dispute between those two countries?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Canadian government has been informed of the exploratory talks taking place in London. These are not in the nature of negotiations but constitute an effort to try to determine whether there is a basis for negotiation between the government of Great Britain and the illegal regime headed by Mr. Smith.

We have had a report on the latest meeting of the sanctions committee. The position taken by the British government, which has been supported by the Canadian government, for the use of moderation in this situation at

the present time, is one that seems to have been accepted by the majority of the countries of the Commonwealth represented at that meeting.

INDUSTRY

HEAVY WATER—REQUEST FOR STATEMENT ON SECOND PLANT

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I wish to direct a question to the Minister of Mines and Technical Surveys in his capacity as the minister who reports to the house for Atomic Energy of Canada Limited. Can the minister advise the house as to the present status of the second heavy water plant in Canada?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): My understanding, Mr. Speaker, is that Canadian General Electric still has to make its decision as to the location of the site.

COAL

INQUIRY AS TO REPORT ON ASSISTANCE PROGRAM

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, since the minister of Mines and Technical Surveys seems to be in such a genial mood and has brought along his music and glad spirits, would he be so kind as to tell hon. members from Cape Breton Island whether he has heard anything further with respect to the Donald report on coal matters?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I say with great sincerity that the people of Cape Breton Island are my main interest at the moment. The hon. member should not think, because I am not yet in a position to announce policies for Cape Breton, that we are not at work on those matters.

An hon. Member: Where is the report?

Mr. Pepin: We are presently devoting a great deal of attention trying to devise ways and means by which the situation in Cape Breton may be improved.

Some hon. Members: Oh, oh.

An hon. Member: I wonder who is training the minister to answer like that.

BUSINESS OF THE HOUSE

DINNER RECESS DURING DISCUSSION OF SUPPLY MOTION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Public Works in his capacity as house leader. In view of the fact that the order of business for today and tomorrow is under a time limit, would he ascertain whether the house might give unanimous consent to our taking the traditional supper recess today and tomorrow between 6 and 8 p.m.?

Some hon. Members: Agreed.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I should be very glad to agree to such a proposition so far as this side of the house is concerned.

Some hon. Members: Agreed.

Mr. Speaker: Order, please. With regard to the proposition submitted by the hon. member for Winnipeg North Centre, is it an order of the house that the house shall not sit between 6 p.m. and 8 p.m. today and tomorrow?

Some hon. Members: Agreed.

SUPPLY

Hon. Mitchell Sharp (Minister of Finance) moved that the house go into committee of supply.

FINANCE—TIGHT MONEY POLICY—NEGATIVE APPROACH TO PROBLEMS

Hon. George Hees (Northumberland): Mr. Speaker, for the past several months producers in this country have been finding it increasingly difficult to obtain the credit they need to carry out the normal expansion of plant, machinery and inventory which the increase in demand for their products requires. Plans for expansion have had to be curtailed or cancelled, with a consequent loss of production and prosperity. This is the identical situation, Mr. Speaker, in which the country found itself in late 1956 and early 1957 and which was the subject of the famous hidden report presented to the government by its economist, Dr. O. J. Firestone, early in 1957. In that report Dr. Firestone warned the government that if it did not withdraw and reverse its tight money policy, making credit easier to obtain than it had been for the preceding several months, a recession would

follow. As we know, the government of the day planned to call an election in April and disregarded the warning of Dr. Firestone.

Mr. Sharp: Could I ask the hon. member for clarification of what he has just said?

Mr. Speaker: Order, please. May we have order in the chamber.

Mr. Sharp: May I ask the hon. member a question, for clarification?

Mr. Hees: Certainly.

Mr. Sharp: Could he identify the report written by Dr. Firestone to which he refers? I am not familiar with it, I believe.

Mr. Hees: I am surprised to hear the Minister of Finance (Mr. Sharp) say that because I know that he was very familiar with this report when he was deputy minister of the Department of Trade and Commerce. I refer to the report made for the previous government early in 1957. It came into our hands after we had formed the government in June of that year.

Mr. Sharp: Mr. Speaker—

Mr. Hees: If the hon. member will look back he will become familiar with the report to which I refer.

Mr. Speaker: Order, please. The hon. member for Northumberland has the floor.

Mr. Sharp: I just wanted to be clear what report was being referred to, Mr. Speaker.

Mr. Hees: Mr. Speaker—

Mr. Speaker: Order, please. The minister may rise on a point or order, on a question of privilege, or in order to ask a question with the permission of the hon. member who has the floor. The hon. member for Northumberland has not indicated that he wants to allow the minister to put a question at the present time.

• (3:40 p.m.)

Mr. Hees: Mr. Speaker, I was quite willing to yield the floor to the Minister of Finance and answer his question. I believe I have answered his question and now I intend to continue my remarks. As I was saying before I was interrupted by the Minister of Finance, when the Conservative government took over late in June, 1957, a recession was well launched, as Dr. Firestone had said it would be if the government of that day did not reverse its tight money policy and make far easier credit available to the producers of the country. It took us three years of hard work to bring the country out of the recession into which it had fallen due to the policies of the previous government to which I have just referred.

On January 21 last Dr. Firestone again warned the government that if their present tight money policy was not withdrawn and reasonable credit made available, a downturn in business could be expected. Once again the government has refused to heed this warning.

Tight money is this government's method of combating inflation. As we all know, inflationary pressures are caused when too much money is chasing too few goods. These pressures can be reduced either by the negative method of decreasing the amount of money available with which to buy the goods or the positive method of increasing the volume of goods available for sale. As we learned in the budget this year, the government has chosen the negative method of combating this problem by reducing the amount of money available to the Canadian people rather than doing those things which must be done so that our economy may proceed at a normal expansion rate.

The budget made it very clear that the government intends to restrict the money supply in three ways: through the tight money policy which they imposed several months ago, the increase in income taxes, and the special refundable tax of 5 per cent. We can well ask ourselves, why is the government limiting in this way the ability of industry to expand production and by this expansion relieve the inflationary pressure and increase prosperity?

It has become obvious that it is because there are not enough skilled workers in the country today to carry out expanded production. We might, again, ask ourselves why this should be so. It has been clear that unemployment has been decreasing steadily during the past five years and skilled workers have been in increasingly short supply during that period. Each year it has been more and more obvious that the program to train additional skilled workers is inadequate to meet the growing demand.

What has been sorely needed is an immigration policy with sufficiently attractive inducements to attract the required number of skilled workers from other industrial countries. The absence of such a program has allowed an increasingly difficult situation to become steadily worse. It seems to me that it is simply incredible that in a young and

growing country such as Canada the government should be forcing industry to slow down on normal expansion programs. I think it is obvious to any thinking Canadian that it should, instead, be introducing policies to increase industry's capacity to produce and thereby keep pace with the growing demand for goods both at home and in the export market.

As a result of the government's negative and shortsighted policy we are losing sales which should be ours and which may be difficult or impossible to regain later. If this country is to meet foreign competition both at home and in the export markets we must make our prices increasingly competitive. Lower costs, as we know, are made possible by the economies of scale and those economies are made possible by increased production, not the reduced production which this government is forcing on industry today.

I think all hon. members would agree that one of the strongest inflationary pressures results from low productivity which forces up costs and thereby selling prices. During the five year period between 1960 and 1964 inclusive, productivity in Canada increased at an average annual rate of 2.9 per cent per year. But last year Canadians generally were alarmed to learn that productivity increased by only 2 per cent, or two-thirds of the average annual rate of increase for the previous five years. This is one of the principal reasons why the wholesale price index in Canada increased last year by 3.2 per cent over 1964 and was 50 per cent higher than the increase in the United States during the same 12 month period.

I think it is obvious that we need financial incentives to induce increased productivity so that our wholesale price index will rise at a reasonable rather than an excessive rate as it is doing today. I find it difficult to understand why, in the face of the drop in productivity that took place during the past year, the government did not introduce and has not yet introduced incentives to increase productivity and thereby make our products more competitive at home and abroad.

Another reason why incentives to encourage greater productivity should have been introduced by this government is that high prices are slowing down the annual rate of increase of our export trade. The industrial trade crusade which was introduced by the Conservative government at the end of 1960 produced, during the first year of operations in 1961, a 10 per cent increase in exports over the previous year and our first positive commodity trade balance in nine years.

Some hon. Members: Hear, hear.

Mr. Hees: Since that time our exports have increased at a higher rate each year and our sales abroad in 1964 were 19 per cent greater than in 1963. However, last year our exports increased by only 4.6 per cent over 1964, or one-quarter of the rate of increase during the previous year. Higher prices of Canadian goods made them less competitive abroad and our sales drive slowed down accordingly. It is obvious that incentives to increase productivity are urgently needed to make possible a satisfactory yearly increase in our export trade.

I think it has now become obvious that in order to keep our economy healthy four definite things are needed. First, a greatly accelerated and expanded program to train the skilled workers which this country needs to carry out its normal industrial expansion. Second, an immigration policy which will attract the skilled workers that our training program is unable to provide. Third, incentives to promote increased productivity and thereby enable Canadian industry to compete successfully in the home and export markets.

• (3:50 p.m.)

Fourth, I urge that the government's tight money policy be replaced by a policy which will provide industrial loans at reasonable rates of interest so that Canadian industry can expand to keep pace with world demand and enable the country to reach its full economic potential.

I should like to deal now for a few moments with the acute shortage of mortgage money which is causing a serious slowdown in the building of houses, particularly those for people with modest incomes. One of the main difficulties is that the federal government has not been able to keep insurance and trust companies interested in lending on a low interest, long term mortgage basis, particularly in the case of individual homes. This was partly due to the government increasing the interest rate. When the rate rose above 6 per cent the banks, of course, were eliminated from N.H.A. financing.

This condition has been aggravated by the steady increase in the amount of maximum loans under the act to $18,000 which, of course, absorbed the available supply of funds into fewer units and brought many purchasers who in reality did not need N.H.A. financing into the N.H.A. mortgage

market. This maximum ceiling, in my opinion, also had a tendency to encourage builders and lenders away from modest housing into middle-class development because of the profit motive for the builder and the apparent ability to repay the security for the lenders.

Added to this, of course, was the tremendous impact of large, multiple family, high-rise apartment complexes amounting to about 90 per cent in cities. Because of the size, cost of land and the luxury built into these complexes, they soon outstripped single family dwelling starts by 10 per cent and upwards. Apart from draining off badly needed mortgage money, the effect was and is to encourage lenders to put all their eggs in one basket, lessening accounting, processing, inspection costs and so on.

But the sad part of this is that because of the tremendous demand for mortgage money for the foregoing reasons, the small town, village or rural area finds it impossible to obtain funds at all. This then leads to the potential home owner seeking, but by no means always securing, mortgage funds through the participating members of the Mortgage Insurance Company of Canada, the M.I.C.C. This is expensive, in fact is often prohibitive, and excludes village or rural financing. Rates are 7¾ per cent on amounts up to 87½ per cent of the M.I.C.C. valuation on a first and second mortgage, and when 2 per cent mortgage insurance plus application fee and legal fees are added this becomes difficult, if not impossible, for the local wage earner to consider.

As a result of the foregoing I recommend the following to the government:

First, that mortgages under the National Housing Act be redirected to the average home rather than the middle or executive type home, which is the case today.

Some hon. Members: Hear, hear.

Mr. Hees: Second, that insurance companies, which seek insurance business all across Canada, be required to invest mortgage funds in towns and rural areas as a duty.

Third, that interest rates be reduced to 6 per cent, thus allowing banks to participate under the act.

Fourth, that the government set aside each year sufficient funds to meet the estimated requirements for the year under the act, which would be a marked increase over the amount it is making available today, so that builders may plan for a full year's operation and not be restricted in their operations as they are at the present time.

Everyone in this house knows of the restrictions that have been placed upon builders trying to carry out their normal operations. I do not need to go into that in detail. We are all familiar with it in our own constituencies. It remains clear and obvious that the government should greatly increase the amount of money available for this purpose so that the normal building of homes for Canadians who desire to become home owners can go on as desired.

I believe that if the government will adopt these changes the achievement of our very worth-while objective of making Canada a country of home owners will be greatly accelerated. I think we all agree there is no finer move we as legislators can make than enabling as many families as possible to own their own homes, particularly those homes which families with modest incomes need and desire.

Some hon. Members: Hear, hear.

Mr. Hees: Nothing builds up a family better than keeping its members together in their own home. Children who are brought up in such homes grow up far better citizens than those whose family interests are not concentrated in the home to such a great extent. I believe we would all agree that anything we can do to make this worth-while objective a reality is something we should lend our efforts to in every way we can.

In conclusion, Mr. Speaker, I strongly urge the government to withdraw the tight money policy which it has imposed on the country, and thereby enable our businessmen, our farmers, our builders and our other producers to carry out their normal plans for expanding their production. If it refuses to do so it will follow the pattern it set in the latter half of 1956 and the early months of 1957 and a business downturn will definitely follow just as it did at that time.

If the government does take this advice and makes it possible for our producers to obtain the credit they need to expand production and thereby lower costs and become more competitive, the prosperity which was made possible by the constructive policies of the Conservative government at the beginning of this decade will continue for the benefit of all Canadians.

Therefore, Mr. Speaker, I move, seconded by the hon. member for Edmonton West (Mr. Lambert):

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

"The policies of the government in imposing tight money and denying builders and prospective home-owners needed mortgage funds, constitute a negative approach to the problems facing our economy and are seriously impeding the development of the nation."

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I must say it was a little difficult, as the hon. member for Northumberland (Mr. Hees) was speaking, to know on exactly what spot he was going to land. His speech was extremely general. His amendment, of course, is quite specific.

I have an idea that the proposals that are made to deal with the ills in our society tend to be somewhat simplistic and perhaps they are largely matters of semantics. Ever since I came to the House of Commons I have heard opposition members—and this applies to both major parties—attacking governments of the day for tight money policies, and I have always had great difficulty in getting this defined for me.

I look at the reports of the Bank of Canada and of the Dominion Bureau of Statistics and I see that the total money supply continues to rise. It may rise at varying rates but it is a fairly steady rise. I see interest rates go up but it appears sometimes that they do not have very much effect on total money supply. I suspect, Mr. Speaker, that our troubles are more deepseated. We have had, as the Minister of Finance (Mr. Sharp) has been telling us—in fact, he told us this with great fervour during his budget speech—the longest uninterrupted period of economic expansion in our history.

• (4:00 p.m.)

At the same time, however, we must face the fact that in spite of that and because of that—and this is very serious—we still have very large pockets of poverty in our country; we still have a stubborn level of unemployment.

An hon. Member: A stubborn government.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Yes, and a stubborn government which we are not able to do much with. I remember that when the Conservative government was in office there was the same stubborn note of unemployment with which that government was unable to deal. When we are committed to this method of organization our society really is not able to deal with the problem of unemployment. When these parties tell us the whole trouble is tight money, then I suspect they are merely trying to beg the question. I have long suspected that their preoccupation with economic expansion and economic growth is to some extent at least an escape mechanism to avoid the problem of maximum distribution in our society. Neither Liberal nor Conservative governments has been very successful in dealing with that.

I notice that the Conservative party apparently is now prepared to depart so far from its traditional point in support of free enterprise as to insist that insurance companies shall be required to invest their funds where the government of the day decides they are needed. I am all in favour of that, of course, but I would go further and abolish the insurance companies. In this day and age I think it is a piece of nonsense that we allow private racketeers to enter into the business of collecting the savings of the Canadian people and investing them where they will. At every session including the present, we have a whole string of applications from those who want to get in on this nice little gold mine.

I wonder how long sensible people will permit this. I wonder whether the time has not come when we have to evolve a different method of pooling the savings of the Canadian people and investing them in the development of our country. I am hoping that before this session is over the present Minister of Finance will present to us the legislation to deal with the Canada Development Corporation which his predecessor brought before us during his term of office.

I would hope that the Canada Development Corporation as now envisaged by the present government perhaps will be an improvement on the suggestions made to us during the tenure of office of the last minister. At that time it appeared to me it was to be largely a private investment pool a mutual investment pool, if you like, in which again those who have would get a little richer, leaving those who have not in the same position. I would hope the Canada Development Corporation would be devoted to pooling the savings of the Canadian people as much as possible and investing them under public auspices in various sectors of our economy. Only in this way, I think, are we going to assure that we get the sort of thing the hon. member for Northumberland was speaking about, such as an

adequate housing program and other things which he did not mention such as an adequate school system in Canada including an adequate university system throughout the country, and an adequate medicare program. Only by having at our disposal a very large part of the savings of the Canadian people can we achieve these things. Only in this way will we be able to deal with the rural conditions mentioned by the Minister of Forestry (Mr. Sauve) the other day.

The rural rehabilitation program will involve very large public expenditures. I am hoping those public expenditures will take the form of public investment to create a viable economic area for the people now living in the depressed rural areas of the country. My hon. friend from Northumberland suggests that the principle sin of this government—I do not know how he selects one sin over another—is that it has denied builders and prospective home owners the needed mortgage funds. I suppose when one stretches this a bit one can say it is the responsibility of the government, but I think the responsibility goes further than that.

I am very much disturbed to see in my own province of British Columbia that the investment in our major extraction industry is taking place without any regard whatever for a balanced economy and without any regard whatever for the development of the social capital which should accompany such investments. I suspect, Mr. Speaker, that one of our problems with regard to funds for housing stems from the fact that neither this government nor its Conservative predecessor nor the Liberal predecessor of that Conservative government has seen fit to take the necessary action to divert to the public treasury a very much larger proportion of the funds which now go into the treasuries of these enormous private corporations engaged in particular, as I was saying, in the extraction industries in western Canada and in parts of central and eastern Canada too.

This, of course, is the point at which we in this party part company with our friends in the Liberal and Conservative parties. We do not feel that the economy of this country should be operated primarily for the benefit of a number of fortunate people who own and control the productive enterprises of this nation. We feel very strongly that they should be servants of the Canadian people and that the people of Canada should have some say with regard to where the returns from our productive enterprises are to be

channelled. They should not be channelled merely, as my hon. friend from Northumberland suggested, where the savings of the individual Canadian insurance policyholder are going to be channelled but rather where the real wealth is.

Our enormous internally generated savings are now in the hands of large corporations, and when they are in the hands of foreign corporations they are largely responsible for creating the condition that our present Minister of Finance and his predecessor both have deplored, the expanding foreign ownership of Canadian industry. To my mind this is the point at which there has to be a diversion from private to public hands if we are to deal with the problem of adequate housing and these other problems in various areas of the country.

To my mind it is fantastic that we should have existing at the same time in Canada a shortage of skilled workers and some—I do not have the exact figure—300,000-odd unemployed. Obviously no real attempt has been made to grapple with the problem of supplying our economic machine with skilled hands and at the same time coping with the problem of unemployment. I agree with the hon. member for Northumberland that there is, at least in some parts of the country, an acute shortage of money for housing projects, and I certainly agree with him that a great deal of those funds should be funnelled into middle and low income housing. I am not quite sure that he is on sound ground in his idea that we should encourage individual home ownership. I like the idea myself; I own my own home and I would not want to do anything else. I wonder, however, in this day and age and with the growth of the large metropolis, whether this is going to be feasible much longer and whether the people of Canada might be well advised to take a page from the book of the people of Europe and the practice which has been followed there for many decades whereby people live and expect to live during their whole lives in apartments. There is no reason that our apartments should not have all the amenities required for a family. We have perhaps fallen behind on that score in Canada.

• (4:10 p.m.)

All too many apartment owners put up signs, "no children wanted". I see no reason, however, why dwelling units cannot be designed to cater to the needs of young families through adequate playgrounds, recreational areas and facilities within and without the

buildings. Certainly they must be built on the understanding that they are to meet a need rather than to provide profit for speculators, building and real estate owners.

For those reasons, Mr. Speaker, I feel that one could hardly fail to support the amendment of the official opposition though I should have liked it better had it been couched in somewhat broader terms as a criticism not so much of the government's policy regarding housing or mortgage money or the alleged tight money policy, because I am rather doubtful that such strictures could actually be sustained, but rather as a criticism of the government's policy which allows certain groups in our society to control where the bulk of our wealth goes. We may very well have to make a drastic revision in our outlook as to the purpose of our society, but I feel that nothing less than what I have suggested will really solve these problems.

The government has a prefectly good answer for its alleged tight money policy, and it relates to the balance of payments situation. The balance of payments position is always referred to as a reason for coping with inflationary pressures within our own society. However, there are many economists, and perhaps even the bulk of at least Canadian economists, who feel we are tying our hands by maintaining a fixed exchange rate and that if we were prepared to go back to a floating exchange rate our balance of payments problem would solve itself and the question of tight or loose money, if that is the opposite term, would disappear. I am not an economist but I have discussed this matter with many and have found that there is a fairly unanimous opinion among Canadian economists that this might be the solution to our problems of alleged tight money, balance of payments and the necessity of having to put the brakes on our expanding economy to protect our own unit of currency.

Those are the points which I think this amendment should have included rather than the narrow point, important though it is, that money should be made available for adequate housing. I am not sure it is at all possible to ensure that money will be available for housing without taking much more drastic steps than the official opposition apparently is prepared to advocate or the government is prepared to undertake.

Mr. Macdonald (Rosedale): Mr. Speaker, I wonder whether the hon. member would permit a question before he resumes his seat. I am in sympathy with this suggestion that some funds should be diverted to low rental public housing, but when he proposed that certain measures be taken in respect of certain extractive companies, was he proposing a fairly widespread program of nationalization in this country? I should like to understand his position in this regard.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I am very pleased to answer that question. As the hon. member for Rosedale is well aware, our constitution would place any suggestion such as he has made in respect of these extractive industries within the jurisdiction of the provincial legislatures which have control over property and civil rights.

For the benefit of the hon. member, let me say that I have advocated very strongly in my party and in my own province that the provincial authorities should take precisely that step. What I was proposing here is something that the federal government could undertake, that is, to take a much larger slice from the net returns of these operations than we are now taking and to take a much closer look at depreciation and depletion allowances and the various other ways by which the net returns of these industries are funnelled into private hands. I would not want for a moment to overlook the opportunity of telling the hon. member that I quite agree with his suggestion that these large extractive industries perhaps should come under public ownership within the provinces.

Mr. Macdonald (Rosedale): Mr. Speaker, I want to point out that I was not making that suggestion but merely directing a question to the hon. member.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like first of all to congratulate the hon. member for Northumberland (Mr. Hees) who has moved, today, an amendment which affords us the opportunity to discuss one of the most important problems in Canada at the present time, that is an economic problem, in short, a problem involving the economy of the country: the restrictions on credit, home construction, etc.

Mr. Speaker, there is much to say about credit, because with credit a country can develop but, without credit, not only does it not develop, but it falls back and goes into a slump.

As an illustration, I should like to mention the period, say, from 1933 to 1937 when credit

restrictions brought about unfortunate results in every area.

It will be recalled, for instance, that due to credit restrictions in force at the time, the construction of the St. Lawrence development, more particularly at Beauharnois, for the production of electric power, was halted for lack of credit.

It will also be recalled that, at the time, pulp and paper companies had to lay off several workers and close their plants for lack of credit.

In the Saguenay-Lake St. John district, the Price Brothers Company, or at least members of the Price family had to let their shares go because the banks had cut their credit. Such pulp and paper companies were forced to sell and the bank directors succeeded in grabbing them because the banks were in control of credit and private companies were deprived of credit and could thus be bought for peanuts.

• (4:20 p.m.)

The same thing happened in the field of electricity, paper and even coal. As a matter of fact, it must be remembered that in 1934, when those credit restrictions were imposed, Senator Webster succeeded in taking over the coal trust in Canada.

In the field of electricity, the Holts and Gordons succeeded by restricting credit to private companies in getting control over the latter; as bank directors they had unlimited credit and succeeded in getting control over most of the big companies which existed then.

Today, in 1966, there is a lot of talk about credit restrictions, inside as well as outside the house.

Mr. Speaker, first of all I would like to make a distinction between credit for public purposes and credit for particular or private purposes.

Credit for public purposes is credit issued to help public works or public administration. It is put at the disposal of the federal or provincial governments, municipalities or school boards. Such credit is for public purposes. It can be used to make good the deficits of public administrations. Then, it is still credit issued for public purposes. It can be issued for works by various governments. For instance, in the case of the federal government, it can be used for the dredging of a river or a waterway. A provincial government can use it for the building of bridges and roads. It can also be used for the construction of post offices; then such credit is issued for public purposes.

In the case of a municipality, it can be issued for the building of sewer systems, streets, water systems. Again, such credit is issued for public purposes.

In the case of school boards, it can be spent to build schools; again, such credit is issued for public purposes.

If, as I was saying a little earlier, the federal government, a provincial government, a municipality or a school board shows a deficit at the end of the year and must borrow to make it good, there will be credit issued for a public purpose. That is what is called credit for public purposes.

We will see later the situation with regard to credit issued for private or particular purposes. At the outset, I would like to talk about credit issued for public purposes. First, and it is the first principle which I would like to mention today, it is that all credit issued for public purposes should be free of debt and interest-free, because it is meant to serve the public interest, the general interest.

It must not be issued in the form of debt but debt-free. Why? Because of the source of the credit so issued. If it is a public source, lending to public bodies, then no interest should be charged because its purpose is not profit but the interest and the welfare of the country. Therefore, there is no reason why loans from this source should bear interest or entail a debt.

However, if this public credit comes from private sources, public interests or private companies, then this does not make sense because it is not incumbent on private enterprise to finance public enterprise. It does not behove individuals to finance the government; it is not incumbent on private companies to finance a public concern such as the federal government, a provincial government, a municipality or a school board.

This is why credit must originate from a public source, that is a government body, and that government body now exists: it is the Bank of Canada. Today this government body, this public body, in short, this public source of credit exists not to make gains but to help other public bodies in Canada. That is why the Bank of Canada should finance, without interest, all public credit issued for public purposes, for public undertakings. Then, such credit originating from a public source, the Bank of Canada, being issued interest and debt free, must be used for

public purposes only; such credit must expand and develop according to the needs of the whole country.

Such credit must not be limited in any way but must be issued in adequate amounts and must expand adequately, to meet the needs of the whole country, of the federal government as well as of provincial governments, municipalities or school boards.

Well, Mr. Speaker, Canada's needs today in the public field are tremendous. Take highways, for instance. Our country is as large as the United States. There are people who live on the Atlantic coast and others who live on the Pacific coast. Between both coasts, there is more space in Canada than in the United States. The distance from one coast of Canada to the other is greater than in the United States. But, we have people living on both coasts and we need an adequate highway system between the two coasts of Canada. We need roads like other countries. Although our population is smaller, it lives in the four corners of the country and, by that very fact, it needs highway development. It goes to say that in that field, the need is very great. It has not yet been met, far from it.

To fulfil this need in the field of highways, funds must be extended and developed according to our needs. That requires public funds from a public organization, that is to say the Bank of Canada. I spoke about highways. That could apply to construction of post offices, shipping, veterans, the Departments of Labour, Industry, Trade and Commerce and so on. In the public sector, the needs are tremendous.

Mr. Speaker, I say that the government has a responsibility to see to it that public funds originating in the Bank of Canada are always available, in sufficient quantity, to meet all public needs Canada may have. When credit is restricted in the public sector, bad effects are felt.

• (4:30 p.m.)

For instance, the hon. Minister of Finance announced that this year some projects would not be carried out for lack of funds. That being the case, we must realize that the people of Canada will be affected, because some of their needs will go unanswered, the work will not be done. Those men will be unemployed, some fields such as construction will feel it, and thereby the country will suffer from credit restrictions.

With credit restrictions, we will head for the type of depression we knew from 1929 to 1939.

Public credit must correspond to the needs, the development of a country; it must be created free from debt and interest, and must serve for the benefit of the country.

Today, credit is restricted. Some projects have been stopped. In Quebec, some projects are needed. In the field of highways, bridges, hospitals, schools, universities, projects will not be carried out because public funds are not available.

When, for example, in Quebec, sick people have to wait for two or three weeks, even six weeks, before they are admitted to the hospital, because there are not enough beds, we can conclude that the government is not fulfilling its duty. It should make available to the provincial governments the credit required for the construction of hospitals in Quebec and in the other provinces that need them.

Credit is not available, to meet all the needs; on the other hand, such credit as is available does not come from public sources, such as the Bank of Canada, but from private sources, from credit that burdens public bodies with debt.

Let us go on. We know Quebec is sinking into debt at an unimaginable rate. For six years now, the Quebec government has been borrowing, and borrowing to the extent where it can be foreseen that, within the next ten or twelve years, a major part of taxes and levies will be used to pay the interest on the debt, as is now the case with the federal government.

The federal government pays $1,200 million in interest on the national debt. In the province of Quebec, the government is piling up a debt that can never he repaid. It borrows every year and, through its deficits, it is piling up a debt on which interest will have to be paid. The young people of today will have to pay the interest on that debt. And all that, to make up for an administrative deficit.

I suggest that there should be in Canada a public organization which would provide the required funds for public development and adiminstration. Because such an organization is non-existent and because the government is failing in its duty, the provinces are running into debt at present.

Not only provincial governments are running into debt, but also municipalities which are compelled to issue bonds. Those municipalities are financed by private sources in the same manner as private individuals finance the federal government.

Let us consider the situation of municipalities. Some of them have to spend 25, 30 and 40 per cent of their budget simply to pay interest on their debt. A great number of Quebec municipalities must spend up to 40 per cent of their budget for the sole purpose of paying the interests on their debts. School boards are also in debt. The provincial government claims it provides the funds, but when a $100,000 grant is paid for the construction of a school and $10,000 are paid over a ten-year period, then the school board has to borrow $100,000, pay from 5 to 6 per cent interest, and the $10,000 yearly grant over a ten-year period is barely enough to pay the interest. There is something left to pay off a small part of the debt, but not too much.

In the field of education which comes under exclusive provincial jurisdiction, I admit, where costs are ever increasing nowadays, a public organization should be set up to finance the administration. What is being done at present? Taxes are increased. In the province of Quebec especially, taxes have increased at a quicker rate than in any other field. What has been increasing most in Quebec in the last six years, have been taxes, and especially school taxes. I am not against progress in the educational field, but I say there should be a public organization to finance public administration and development, at every level, eduational, municipal, federal or provincial.

In conclusion, Mr. Speaker, I believe that with regard to public credit facilities, the federal government should implement three principles.

First, the Bank of Canada should be given the power and the privilege to become a public credit organization to finance public administration and development in Canada. Second, the funds issued by the Bank of Canada, a public organization should be debt free and not have to be financed out of interests or taxes.

I also claim, Mr. Speaker, that the Bank of Canada should issue all public funds required to enable the country to develop normally, to progress into modern times and to meet the needs of the population.

Now for private funds. By then, private funds would serve exclusively to develop private companies or to help individuals. Banks, insurance companies, finance companies such as we have today would no longer be required to invest their savings in the public area. Sufficient funds and credit would remain to leave them in a position to develop the private sector.

For instance, insurance companies would no longer be required to invest in Canada savings bonds because it would be the responsibility of the Bank of Canada. But insurance companies could lend for home building.

Mortgage loans will be available to Canadians the day the savings of the Canadian people are no longer used to finance the provinces or the country, the day when private savings are used to finance the needs of the citizens rather than the requirements of public bodies.

Let public credit sources be established such as the Bank of Canada and let all private savings and investments serve private development, trade, industry, and private housing.

Mr. Speaker, it is public knowledge that enormous and pressing needs exist for the development of private industry and especially in the area of mortgage loans for private housing.

Mr. Speaker, we only need to go into the large cities and even the small villages, Montreal, Jonquière, Chicoutimi, Trois-Rivières, to realize that there are families living in slums, in old, unsanitary houses where it is not proper, not logical nor decent and human to raise families in 1966. There is a widespread need for home construction, but for that purpose, credit should be made available to the individuals, for lending to individuals.

But today, everything is topsy-turvy. Private savings are financing governments and governments are forced to finance individual expenditures. Thrifty individuals, Canadian citizens are asked to invest their savings in Canadian bonds and then, the government is asked to set up special funds to make mortgage loans to individuals.

If we only had a government organization to finance public works, well, there would be enough savings in the private area to finance private expenditure in home, industrial, private construction, etc. But things are upside down. Individuals are asked to finance the government and the government is asked to finance the individual.

• (4:40 p.m.)

The governments issue savings bonds and give them to individuals so that they may finance the government. Then, as it holds all the savings, the government is forced to establish a public fund and put it in the

hands of the Central Mortgage and Housing Corporation which makes individual loans. This is a ridiculous system. Why not rather have a public organization financing public governments and let private institutions, such as insurance companies, investment companies, loan companies, banks, chartered banks and credit unions finance private development?

Having gathered the money from all private savings and investments, however, the government says at a given moment, like today: Only so much will be given over to private investment.

Thus the government restricts credit for private investments. But it forgets one thing: that all the present credits of the federal government come from the private sector. After looting all private savings and investments, the federal government, at a given moment, as in the last few months, decides to cut off private loans for housing.

It is time to deal with this situation, for there is a great need in the field of housing. In fact, the amendment now before us specifically mentions housing.

Not so long ago, it may be remembered, a committee was established in Montreal and even the priests on the island of Montreal protested against the unbearable situation of the inhabitants of eastern Montreal, where there are slums and dirty districts which should not exist in 1966.

I think the government should take action. First, as I said earlier, it should stop taking the money of the people for its administration or for public works. The government should leave the people their savings and investments and create its own source of public credit for its administrative expenses and public works.

There is no need to worry, Mr. Speaker; I can assure you that if the people are left their savings and investments, they will be able to provide the money for housing construction. No longer having to finance the government, the chartered banks will be able to finance housing.

The insurance companies, no longer having to finance the deficits of the federal and provincial governments, will be able to lend money for housing construction and development. The credit unions and mutual funds, no longer having to assist the federal and provincial governments, the municipalities and school boards, will then be able to help housing development and give the necessary mortgage loans.

Tight Money Policy

The housing situation is serious in Canadian cities. It is inconceivable that our government cannot handle the situation. A good part of our people need decent housing, but they do not have the necessary funds to build them, for the federal government took away all their money.

We have the building materials, the land is there to build houses, there is plenty of wood, nails, plaster, bricks, stone, paint, piping, electric wires. Everything is there. There are unemployed people who would be very pleased to work; there are masons, plumbers, carpenters, bricklayers, electricians who are unemployed and who would be very glad to work on housebuilding.

Because the necessary credit is lacking, people continue to live in slums, our unemployed do not get work and the country remains in a state of stagnation, simply because there is no credit. It is a greater scandal than anything seen in the last hundred years: with plenty of products, an overcapacity of production, our families still live in slums, because they lack credit, because money is controlled by a handful of international capitalists who tighten up money to better keep the people in misery and, in this way, to better control them.

The present federal government and all those that preceded it have always been the slaves and servants of this handful of capitalists who keep the people in poverty instead of serving their interests and helping them out of misery. We now live in a century of affluence, in a country bursting with wealth, that can give all Canadian citizens the required homes, food and clothing and everything they may desire.

But there is a lack of money because a handful of financiers control credit and impose tight money for their own benefit.

The government should stop being the slave and servant of big finance. Let it become the servant of the people who elected it. Let it pass legislation in the people's interest and then we will be able to achieve something great in Canada. Let our production, our natural resources serve the people. Let us use our building materials to give homes to those of our citizens who need them. Let us achieve what everyone is hoping for and let those Canadian citizens who need it benefit from natural resources and production. Let us give everyone the security they dream of and need.

Tight Money Policy

● (4:50 p.m.)

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, on the side of the independents, we are not hampered by this constant consideration of having to protect the political party which we represent, because we do not belong to any. Instead, we try to throw some light on the various matters considered here.

I therefore listened with great attention to the speeches made by the hon. members for Northumberland (Mr. Hees), Winnipeg North (Mr. Orlikow) and Lapointe (Mr. Grégoire). Quite objectively, I must say that even if the three of them do not share the same economic philosophy, they said a lot of things which are quite true. They raised several matters which worry public opinion.

As pointed out by the hon. member for Northumberland, there is no doubt that credit restriction paralyses the economy to a certain extent and worry the Canadian citizens considerably. There is no doubt also that some other measures which resulted from the last budget create some very serious difficulties which are finally translated in privations for the poor and increased unemployment. The restriction on money available for mortgages on low-priced housing will create an extremely hard situation in many areas.

Is a vote of censure against the government warranted on that score? Of course, I am still wondering. I am not ready yet to decide whether or not the government deserves to be blamed since, in fact, it has been in office, for a few months only. But the fact remains that the government must search its conscience on all that.

On the other hand, the hon. member for Winnipeg North advocates, that is his party advocates, of course, the mobilization of national resources to distribute them later judiciously among those who have priority needs in the country. There is something to be said for that.

As for the hon. member for Lapointe, he told us about the organization of credit. He has a theory which his colleagues and himself have been advocating for some time but which has been rejected by the government in no uncertain terms, possibly too much so. I am wondering if, instead of making fun of that theory put forward by our friends in the Social Credit, we should not make a serious, conscientious and objective study thereof. Even if we cannot go as far as they want, it might be possible to reach a happy medium to remedy those deficiencies and things which

are unfortunate for everyone, in all the parties here and in all the classes of society.

This is obvious, Mr. Speaker, when we are told, for instance, that construction must be restricted for lack of money, and when we find too many people still live in slums, when full employment cannot be guaranteed and we must tell industries to slow down their expansion program, for a lack of money, when we deplore the fact that we lack technicians who could enable our economy to develop at the rate it could develop for lack of money, not only to build and equip institutions, but also to enable our young people to take those courses up to 18, 20, 22 and sometimes 24 years of age—and fathers of large families, who, like myself, have six or seven children completing their studies, know that this a problem. Although they profit by what we are agreed to call free education, they must nevertheless dress those adults, feed them, get them everything they need and specially when we consider, for instance, the case of citizens who need medical care and drugs and who cannot afford them, and to whom these cannot be given for a lack of money. The old age pension, which people are asking for cannot be given because it would require some $800 million. It cannot be given for lack of money.

In our advanced age, it is possible and probable, even unavoidable that we experience a cycle of good times and bad times. I say this quite objectively, without necessarily putting the blame on the government. I, too, believe that we have reached some kind of crossroads in the organization of our economy, and we will have to decide shortly whether the economy must be organized by the governments on the basis of the common weal or on the basis of a single privileged class.

I point out, Mr. Speaker, that we are perhaps afraid of novelty, of labels, and I must admit, that myself, up to fairly recently, I was afraid of certain words, such as socialization, socialism and even Social Credit. At a certain time, I was worried about this. I would not say readily that we should now decide overnight, all of a sudden, that the country should adopt a socialist or the Social Credit philosophy. Besides, there is some and even much contradiction between the two. But I wonder whether we should not take the time to ask ourselves if those words or labels do not correspond to quite plain truths which cannot be disregarded, to ills

that we shall certainly not cure by hiding our head in the sand like an ostrich.

I think that the government is aware of this to some extent, because for the last few years, it has been fond of so-called social measures. But they are being implemented too fearfully and faintheartedly perhaps, because the government might be a little too afraid to upset our long-standing financial theories, to give rise to conflict with other countries with which we have financial relations.

I am seriously wondering whether the government would not be well advised to look into the theory advocated by our friends of the New Democratic Party, taking into account, of course, certain priorities. There should be no question, for instance, of nationalizing all Canadian industries, but rather of making possible perhaps a certain competition between state and private intervention and in fields where private enterprise is unable to meet the essential requirements of every member in all segments of the great Canadian family.

Mention was made a while ago of that type of insurance organization that drains money from the Canadian economy and then distributes it, not always equitably, and not always in the public interest.

I will give you an example. Restrictions have been put on the construction of small homes for the small wage-earner, because there is no money for him. In the meantime, in large Canadian cities, huge "people boxes" so-called "apartment blocks" are going up which are not half rented, sometimes not a third rented; they do not necessarily correspond to a need but, in some cases, help to evacuate buildings that are not always fit dwellings. Hundreds of millions of dollars are thus secured which could otherwise be channelled toward a priority need, dwellings for the small wage-earner with a family. The government could perhaps step into that sector of the nation's economy, take control of it, and certain other spheres, and straighten things out.

I revert to something I said a while ago. I am of those who shied away from some words for a while; I saw in them consequences of a local nature perhaps. I may have feared that nationalization in certain fields might lead to political influence which in some cases might have degenerated into persecution of political foes, into unwarranted pressures in fields where the government should not interfere. This led me to be very reticent about the idea of nationalization in certain fields. But, I must say, due to circumstances, Canadian public opinion has evolved in this respect. Moreover, such abuse as was known in the past, repetition of which might have been feared, can no longer occur in view of the general mentality.

I was impressed especially to see that one of the spokesmen of our Quebec clergy which, for a long time, had the reputation of being somewhat conservative—in the economic sense, not the political one—is today in the van of this theory, and accepts even readily that consideration be given to this trend toward socialization which will ensure a better distribution of the nation's resources to provide more efficiently for the essential needs of all our citizens.

Even if those ideas come from an opposition party, even though they are advocated with a certain tartness of speech and sometimes accompanied by votes of censure which are not very kind and not always justified, I believe the Liberal party, which is in office, should be a party which has an ideology like the N.D.P. whose members are Liberals in a hurry, and should quicken the step because the needs of the Canadian people are perhaps more pressing than ever and people are less prepared to be patient than they were in the past. In the face of this explosion in nearly all fields, the people call for these basic things to which they are entitled—lodging, food, medical care, education, their place in the sun—and reject this idea of a privileged class, which, because of an established and long-standing system, lives in luxury while others have to deprive themselves.

Therefore, I repeat that I do not know yet if I shall vote for the non-confidence motion. I should like to hear additional speakers put forward arguments for or against the motion, and I hope they will do so in the same constructive spirit shown by those who took part in the discussion up to now. However, I should like to suggest, as dispassionately as I can, that social legislation should be emphasized and stepped up—there are a few measures on the program—so as to provide all Canadians with basic medical care, necessary medicines, pensions for older people geared to the cost of living, funds necessary to young Canadians to acquire a proper education, in short what a family man needs to decently raise his family. Our government should be bold enough to consider measures it never envisaged before. The government should

place less dependence on the advice of its financiers who believe in an economic gospel which, in my opinion, is outmoded, but pay more attention to those who realize today that the common good must prevail.

The Social Credit members are right sometimes when they say that anything which is physically possible should be made financially possible, especially when we see in our country millions of dollars idle or improperly distributed or distributed to the wrong people, in areas where people have already more than their essential needs, while in other areas, they have to do without the necessities of life.

• (5:00 p.m.)

[*English*]

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I should like to express my full support for the amendment moved by the hon. member for Northumberland (Mr. Hees) and in particular as it pertains to the existing tight money policy. I was very pleased to listen to the hon. member who has an appreciation of the problems that exist in the Atlantic provinces and who, when he was a member of the former Conservative administration, always showed a keen awareness of Atlantic area problems and of the best methods to combat them.

During the years 1957 to 1963 the Atlantic provinces were the beneficiaries of a new federal government philosophy. The Conservative government was willing to experiment with new types of legislation which might well be the answer to the problems we have had since the formation of the nation in 1867. For instance, we saw the passage of the legislation providing for Atlantic provinces adjustment grants. We saw the passage of the Atlantic Provinces Power Development Act and of the Atlantic Development Board Act. These and many more measures were examples of a new federal philosophy applied to the Atlantic provinces because of the unique circumstances in that area of Canada.

Prior to 1957 we in the Atlantic provinces experienced an approach by the federal government not dissimilar to the approach being taken today, and the present approach frightens me, Mr. Speaker, because I hate to think that the federal government is once again getting into the rut in which it appeared to be during the 22 years from 1935 to 1957. Those were terribly hard times for the people of the Atlantic provinces. There was a high unemployment rate and few opportunities. Indeed, they were such difficult times that they led the hon. member for Davenport (Mr. Gordon) to produce a book containing a recommendation that one-way tickets be provided to transport people from our area into more prosperous areas in the other six provinces.

In the election campaigns of 1957 and 1958 the people of the Atlantic provinces indicated in a very definitive way that this was not the kind of philosophy they desired from the federal government, and they assisted materially in disposing of the former government. In 1963 there was chaos in Ottawa, and I believe the people of the Atlantic provinces adopted the attitude that six or seven years in the wilderness might have taught the Liberal party a lesson and that it might adopt a different philosophy toward them. But in 1965 the people of the Atlantic provinces again indicated in no uncertain terms that they did not like the kind of attitude the Liberal government was adopting and once again gave their support to the Progressive Conservative party.

If ever there was an indication that the Liberal party is falling back into the old rut it was best exemplified by this year's budget. I should like to quote from an analysis of current economic conditions and trends published in April by the Atlantic Provinces Economic Council, which certainly could not be considered an arm of the Progressive Conservative party, the Liberal party nor any other party. It is an independent body which has the best interests of the Atlantic provinces at heart and endeavours to point out, quite effectively I think, ways and means improving the economy of the Atlantic provinces. I quote from its analysis:

> There are a number of indications that pressures on the Atlantic economy are nowhere near as great as in other areas of Canada.
>
> For example, the regional unemployment rate in the Atlantic provinces averaged 7.5 per cent in 1965. This was more than twice the rate of 3.6 per cent for the other six provinces, and even higher than the national rate of 7 per cent during the 1960-61 recession years when the national economy was operating at 91 per cent of capacity. Last year the ratio of national output to the economy's potential was 97 per cent.
>
> This situation must be looked at in a different light than that existing in Ontario and the prairie provinces where unemployment rates averaged only 2.6 per cent last year. Within this region the unemployment rate ranged from 5.4 per cent in Nova Scotia to 11.3 per cent in Newfoundland. Although regional unemployment has a large seasonal element it never really got below 4 per cent last year.
>
> While the employment picture has brightened considerably since the beginning of the current expansion in 1961—

I should like to draw hon. member's attention to that phrase, "the beginning of the current expansion in 1961"—not on April 8, 1963 as some hon. members on the other side would like us to believe.

—the improvement has not matched that in the rest of Canada.

• (5:10 p.m.)

Farther on the report states:

The number of claims filed for benefits under the Unemployment Insurance Act declined 4 per cent in the Atlantic provinces, 17 per cent nationally, between December 1964 and December 1965.

There is no indication from that statement that there is any boom in the Atlantic area. With reference to the budget of the Minister of Finance (Mr. Sharp) the report goes on to say:

It would appear that little real consideration was given in the federal Budget to regional economic differences.

This is the problem which we face in the Atlantic provinces and the problem which this government is unwilling to face up to. Tight money is strangling the economy of the Atlantic provinces. It strangled it in 1955-56. I well remember the present member for Victoria-Carleton (Mr. Flemming), who was then premier of New Brunswick, talking about the damage the government of that day was doing to his province and to its economic prospects. He referred to it as the castor oil treatment. He said that the Atlantic provinces were being given the same dose of castor oil that the government considered the rest of Canada needed, just as a mother who had ten children would give all of them castor oil because one of them needed it. We are getting the same castor oil treatment today that we received then and it has the same result in slowing down our progress. This is the great danger, the frightening thing the government is doing at the present time.

I do not wish to leave the impression that we are not progressing in the Atlantic provinces today; we are. I do not wish to leave the impression that this government has done absolutely nothing to assist, because that is not correct. What I am saying is that it is not doing enough and is not adopting the right philosophy to continue us on the road to the prosperity we all are working so hard to achieve. Also, I am saying that our people have a right to expect the same kind of opportunities in our area of Canada that people in any other area of Canada have a right to expect. We do not ask for any more; nor do we expect to receive any less than anyone else in Canada expects to receive.

If the government continues to apply this tight money policy in a blanket way across the nation, great damage will be done to the economic prospects of our area of Canada. I think the report of the Atlantic Provinces Economic Council points this out in very realistic terms when it says:

The local effect of possible reductions in business investment spending is also a question mark. Should national and international firms regard projects in this region as being marginal in relation to those undertaken in other parts of the nation, the region's future economic growth could suffer heavily.

In other words, Mr. Speaker, the great industrial firms of this nation and the great international firms who are doing business in Canada have priorities and today they can secure only so much capital. They have to make a decision in respect of where they are going to spend that money. The great problem we face is that they are going to decide not to go forward now with their proper expansion in our area by reason of the difficulties in securing funds on a national level because of tight money.

The Economic Council of Canada, established by this government, has recognized the problems associated with the Atlantic area. They have said that the present government while slowing down the boom, could use its fiscal policy if it desired to do so to see that economic expansion continues in the Atlantic provinces where it is needed. The Atlantic Economic Council report put it in these terms:

Since fiscal policy, compared to monetary policy, is more capable of application on a regional basis, it seems unfortunate that the federal authorities did not give more attention to the potentialities of the Budget for attaining the economic and social objectives of the less prosperous areas of Canada at a time when the national economy is indeed booming.

It was a most unfortunate thing. There was no indication whatsoever by the Minister of Finance that he was going to treat the Atlantic provinces differently from the most prosperous area of Ontario or British Columbia or Alberta. We are all in the same package. The one policy applies, whether or not it should apply. This is the old Liberal philosophy, the philosophy which the present Minister of Finance no doubt had a good deal to do with developing and maintaining when he was the deputy minister of trade and commerce prior to 1957.

Tight Money Policy

The sad part of the situation, Mr. Speaker, is that things in the Atlantic provinces today are different from what they were in 1957. There is a good deal more hope in the minds of the people today and a good deal more aggressiveness is being shown by them in what they are endeavouring to do. I hold in my hand the Nova Scotia Newsletter issued in December, 1965, by the Department of Trade and Industry. The headline is "Boom Year 1965". At one point it says that there has been a 26.6 per cent increase in capital investment in Nova Scotia.

> New capital investment reached $337,000,000, an increase of 26.6 per cent over 1964.
>
> Manufacturing shipments showed a 6.5 per cent increase for a total value of $535,000,000.
>
> Employment increased and the average weekly wage and/or salary rose to $73.76, an increase of 4.3 per cent.

In other words, we see that we are moving ahead in Nova Scotia, but we also recognize the fact that we are not moving ahead as fast as the more prosperous areas of Canada. Indeed, we must move ahead even faster in order to make up for the years when we fell behind so badly.

It is a crying shame that when the budget speech was delivered the only thing we could look to was a postponement of the New Brunswick-Prince Edward Island causeway. There was nothing of a positive nature to recognize our special problems. There was only a negative step which certainly will damage or economic prospects this summer.

• (5:20 p.m.)

The government and the Minister of Finance found it very difficult to convince the people of the Atlantic provinces that there was anything in the budget which would be of assistance to them. Soon after the budget was delivered a headline appeared in the Halifax *Chronicle-Herald* of March 31, 1966, reading "N.S. Could Gain $27 million In Equalization Payments", with the subheading "Formula Under Study". This is a copyright story written by Eric Dennis and it refers to government sources in the Department of Finance without naming any specific individual.

The story outlines what might be made available to Nova Scotia in 1967 but makes no reference to anything contained in the Budget for the people of Nova Scotia in 1966. I hope that we may look forward to obtaining something in 1966 but apparently the people can only benefit if they ride along a little longer with the Liberal party. We are sick of pie in the sky promises and hopeful proposals that far too often never materialize. We are looking for concrete proposals which can be implemented immediately to assist us in our efforts to progress, but these proposals are not forthcoming.

[Mr. Coates.]

Having regard to the Liberal philosophy in relation to manpower mobility, so far as the Atlantic provinces are concerned this means, as suggested by the hon. member for Davenport, a one-way ticket out of the area. These tickets can either be purchased on a time payment plan or perhaps obtained free in some manner from the government. One thing that is certain is that the people who live in the Atlantic provinces live there because they want to. They recognize that in order to live there they must be satisfied with lower wages and a lower standard of living, and to do so they are willing to make those sacrifices. Any program designed to provide the so-called one-way ticket out of the area is one that will not be adopted quickly by the people there as long as there is any hope for survival. I suggest there is still that hope.

I placed a question on the order paper in an effort to obtain some information about the success of the manpower mobility program. All I have been able to discover is that the government spends more money advertising the program than it does by the way of grants and loans. Surely that is an indication of the success of this program. The greatest interest in the manpower mobility program has been taken in the provinces of Ontario and Quebec where the people, like those of the Atlantic provinces, have a close feeling and affinity for their birthplaces. These people want to remain but they want to do so with the opportunity to make a living. The provincial governments in the Atlantic provinces are willing to do everything possible to provide employment opportunities in these provinces but in order to do so they must have the understanding and co-operation of the federal government. They are not obtaining that understanding or co-operation.

In 1955-56, when the last tight money policy was implemented, we encountered a recession. This was a direct result of the government tinkering with the fiscal and monetary policy of the nation. Let us hope that the boom we are enjoying today will not change to a recession. We in the Atlantic provinces are the last to feel the effects of prosperity but the first to suffer the results of a recession.

Many difficult problems must be faced by the governments in our provinces. The United States government is closing down an air base in Newfoundland. An iron mine is also to be closed in that area. These are difficult problems with difficult results which must be faced by that province. Such problems demand the greatest attention on the part of provincial governments and can only be solved through close co-operation on the part of the federal government.

In the province of Nova Scotia the government is continually faced with a problem relating to coal. At the present time there is a difficulty associated with the steel complex in Nova Scotia. The loss of this industry would do irreparable damage to the economy of that province. These problems cannot be tackled by the provincial or federal governments alone but demand the kind of co-operation that has not existed to any degree in recent years.

The same sort of difficulty exists in the provinces of New Brunswick and Prince Edward Island. Stability in the agricultural industry there can only be maintained if certain legislation is brought forward and passed by this house. The government has been slow and hesitant to move forward in this direction. We are not receiving the kind of attention we need in order to progress to that degree we feel we have a right to expect. The tight money policy being applied by this government on a national basis is doing tremondous damage every day it exists in its present form.

• (5:30 p.m.)

This government does not recognize the special problems existing in the Atlantic provinces and until it does much of the progress made by provincial governments through progressive legislation will be undone. I can only say that we must hope for a change in philosophy or we cannot be certain of the outcome for our people. I hope the Minister of Finance will reconsider his tight money policy as it applies to the Atlantic provinces. I hope he will take the advice of the Economic Council of Canada. I hope he will take the advice of the Atlantic Provinces Economic Council. However, I am indeed fearful that he will not take advice from anybody but will continue the philosophy he adopted when he was a bureaucrat in the last Liberal administration and which he now perpetuates as Minister of Finance.

Tight Money Policy

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, I should like to participate in the debate on the amendment introduced by the hon. member for Northumberland (Mr. Hees) which I submit is a very general motion dealing with the tight money policy as it concerns housing and urban development in this country. I have been one who has been most interested in this field for quite a number of years both before and since coming to this house. I suggest to hon. members that we all know that priorities have their place in the field of housing and urban development. I submit, as a result of condensing a great deal of experience into the short period of six or seven years, that the housing dollar has to be spread where it is most needed.

As the Minister of Finance (Mr. Sharp) stated in his budget address, during these times of tightening up a little on the finances of the country it is natural that one of the fields to be affected is the field of housing generally. It has been the private mortgage field that has been affected most because the private lender has been withdrawing from the field in order to put pressure on the government to bring about an increase in the interest rate on N.H.A. mortgages. The minister in charge of Central Mortgage and Housing Corporation knows that I have been opposed to any increase in interest rates on N.H.A. mortgages. In fact, I was opposed to the increase from 6¼ per cent to 6¾ per cent. I suggest that we cannot forget we are experiencing today a dry run so far as mortgage loans from private lenders are concerned because they want to pressure the government into increasing the rate of interest. This cannot be denied, and I feel these people will not deny it.

However, I should like to review briefly the amendments introduced in June, 1964, to the National Housing Act. I doubt that anyone can challenge the fact that in no field has this government shouldered its responsibilities in a more determined fashion than it has in the field of housing. Since these amendments were passed the average Canadian family has been able to build or rent accommodation suited to the needs of that family and their finances. The sweeping changes that were made to the housing legislation also spelled out new hope for those who need to find decent housing for their families, and here I am speaking particularly of the low income groups and the elderly citizens of this country.

Tight Money Policy

During the past three years we have been experiencing a boom in apartment building and house building generally. I suggest the major reason for this dramatic improvement over the past three years has been the completely new and fresh approach taken by the government toward some of the most vexing housing problems that have faced our country. In June, 1964, this house passed a major piece of legislation updating the National Housing Act to meet the modern needs and conditions of our cities. A variety of measures were introduced aimed at placing adequate housing within the reach of all Canadians. These amendments took the form of additional assistance for housing and urban renewal in Canada.

I might summarize the amendments in the field of assistance for housing and urban renewal in Canada in this way: Central Mortgage and Housing Corporation was authorized to join the provinces and municipalities in redeveloping and rehabilitating urban renewal areas in accordance with official plans. Before these amendments were introduced federal assistance was largely restricted to those areas with a housing content before or after clearance only. This restriction was removed. Federal assistance was then made available to provinces and municipalities that prepared urban renewal schemes which entailed all the necessary economic, social and technical research and planning required for the renewal area whether it was industrial, commercial or housing before or after. The federal government paid half the cost of preparing such schemes and half the cost of implementing them. The implementation of the scheme consisted of the acquisition of land, clearance of land where necessary and also, for the first time, the provision of municipal services and works other than buildings. Then, Mr. Speaker, grants were also made available to the provinces or to the municipalities covering 66⅔ per cent of the provincial or municipal share of the cost of implementing such urban renewal schemes.

I touch on these facts very briefly because of my experience as an alderman in the city of Hamilton and as a member of parliament. Hamilton has pioneered in the field of urban renewal. I suggest that city could not have done a great deal of the work which it is now undertaking without these amendments. I go further than suggesting; I say emphatically that they could not have done this work. It is the cores of the cities across our country that require redevelopment today, and this work was not possible before the amendments of 1964. It is for this reason I have reviewed this legislation in the light of the amendment put forward today.

There is no drying up of government funds for urban renewal projects across the country. Provinces and municipalities need only make application and come up with a proper plan. Today the government still has a great deal of the funds provided by the house in the amendments of 1965, at which time $300 million was allotted for this work. Some of this money is still available for this type of work. Let us not be fooled by a general amendment to the effect that today urban renewal in our cities cannot continue or cannot commence because of the tight money policy. This is not a fact. These moneys have been approved by parliament and they are still there. There has been no indication from the government that this fund, allocated for this purpose, has dried up. I know personally, as a matter of fact, that it has not.

• (5:40 p.m.)

The amendments of 1964 also provided for assistance for public housing. At that time the legislation governing federal-provincial public housing was amended to permit the construction of hostel or dormitory accommodation, including the purchase of existing housing, for rental to low income individuals. This was new and very important legislation. Again, I refer to the city of Hamilton's north end redevelopment project where the municipal and provincial governments have acquired a number of properties, rehabilitated them and rented them to families with low incomes. This was not possible before the 1964 amendments but I suggest it is possible today. There has been no drying up of funds for this kind of purchase of existing homes for public housing purposes to rehabilitate low income families in this country.

Further, as an alternative way of producing public housing C.M.H.C. was authorized by the legislation to make 90 per cent loans to provinces, to municipalities or to an agency of the provinces or municipalities, for the provision of public housing accommodation, either existing or new, for low-income individuals or families, and to make contributions, it must be noted, Mr. Speaker, of up to 50 per cent of operating losses on such accommodation. These funds are still available; there has been no drying up of government funds for low-income housing purposes.

For example, in the province of Ontario the Ontario Housing Corporation held the

groundbreaking ceremonies for a senior citizens home in the city of Hamilton last week. This home is to provide housing for the elderly citizens of the city of Hamilton as well as citizens across the country. The federal government made a 90 per cent loan at low interest rates. These moneys have not dried up, so let us not be fooled into thinking that any tight money policy to control the economy is affecting funds which are made available to help our elderly citizens and low income families. That is not the case.

There is also in the 1964 amendments provision for a program of land acquisition and servicing for public housing purposes in advance of the development of the projects themselves. This new legislation provided loans, again from the federal government, of up to 90 per cent for this purpose. That is why I say that nowhere has this government shouldered its social responsibilities with more determination than in the field of housing, particularly public housing which is geared to low income families and our elderly citizens.

Again, in the legislative amendments of 1964, Mr. Speaker, assistance was made available for non-profit corporation housing. What did this mean? Organizations like the Lions Club, the Kiwanis, to which I belong and which has constructed an elderly citizens home under this legislation in the city of Hamilton, were able in servicing their communities, if they wished to, to construct low-income housing or apartments for elderly citizens with substantial loans from the federal government through C.M.H.C.

To do this a new section was added to provide for 90 per cent loans to non-profit companies, such as service organizations, for housing projects, either used or new, for low-income persons or families who are not eligible for public housing but are still unable to find suitable accommodation at rents which they can afford to pay. Therefore C.M.H.C. was able to make loans to such companies to finance projects comprising not only self-contained student units but hostels, dormitories or any other combination of accommodation. Again, Mr. Speaker, funds are still available to these non-profit organizations for building this type of accommodation. There has been no drying up of these funds.

What about the case of loans to owners of existing houses in urban renewal areas? For the first time, under the amendments to the urban renewal legislation provision was made for C.M.H.C. to grant mortgages to owners of existing houses in urban renewal areas. I for one wish to see this legislation extended, I hope very shortly, to all existing houses. These loans are available to owners who apply and there has been no drying up of these funds. The funds are still available. You need only go to Central Mortgage and Housing Corporation if you wish to apply for such a loan and C.M.H.C. will take your application.

One of the most important facets of the National Housing Act has to do with university housing for single students and for married students with families. This sort of construction is occurring more and more on the campuses of the country. Again I speak of my own experience with McMaster University in the city of Hamilton where residences are being built for single and married students.

How was this vast growth possible? Under the amendments of 1964 C.M.H.C. may grant loans to universities, colleges, co-operative associations and charitable corporations to assist in the construction or acquisition and conversion of accommodation for university students and their families. This accommodation may include the provision of self-contained units as well as hostels and dormitories. For this purpose the maximum amount authorized to be paid out of the consolidated revenue fund was increased to $150 million from $100 million. Provision was also made in this legislation to increase the maximum charge on the consolidated revenue fund for direct lending by C.M.H.C. to $2.5 billion from $2 billion.

What else did this legislation do, Mr. Speaker? It increased loan ratios for N.H.A. insured loans, making it possible for more families to purchase homes with a lower down payment.

I touch on these points briefly to bring to the attention of members of the house and the Canadian public that when a general motion such as this is moved in this house—in fact, I think the hon. member for Northumberland (Mr. Hees) spoke for only six or seven minutes—which alleges there is a tight money policy in effect, and then arguments are made which leave the impression that there is in existence a tight money policy, the people must be made aware of all facets of the economy of the country. It is incumbent upon the provinces, the municipalities and the people to take advantage of the amendments passed in 1964 relating to public housing and urban development programs, and it is important that they are made aware of the fact that the funds provided under these

amendments have not dried up but are still available.

As I said earlier, Mr. Speaker, this house in 1965 approved an amendment which increased the funds provided by the legislation in 1964 by an amount of $300 million in order to carry out the purpose and intent of those amendments. So again I reiterate that there is no shortage of money for urban renewal; there is no shortage of money for public housing; there is no shortage of money for university housing accommodation; and there is no shortage of money to house the elderly citizens of this country. All one need do is to apply for assistance, and the co-operation which I know has been extended by C.M.H.C. to the provincial governments and the municipalities will be similarly extended to all applicants.

There is also no shortage of money for federal-provincial projects with respect to rental housing related to income, the so-called geared to-income housing. The federal government has such funds available and there is no drying up of funds for this purpose.

If I go on at length, Mr. Speaker, about housing and urban development legislation passed in 1964 it is because I want to dispel any suggestions which may have been put forward by hon. members opposite to the effect that there is a general drying up of funds to assist a very important sector of our economy, namely funds for housing for our low-income groups—the geared-to-income housing for low-income families and the elderly citizens of the country.

I for one have been greatly interested in the question of urban renewal, and I feel that our provinces and cities have to move to institute a crash program across the country. I have just returned from a 10-day tour across the country as a member of the transportation committee of this house, which has been holding hearings relating to the C.P.R. passenger service. While in the western cities we made ourselves aware of certain problems presently existing.

• (5:50 p.m.)

I, with my interest in housing and urban development, have noted that in cities such as Vancouver and Calgary, and even in smaller cities such as Brandon, Moose Jaw, Medicine Hat and Winnipeg, urban renewal schemes have been undertaken or are in progress. It would be sad if the impression were left from anything said in this house that funds available for such projects had in fact been dried up by the federal government. That is not the case. I suggest that if a province or a municipality falls down with respect to urban renewal or public housing, for which there is a great need approaching emergency proportions, then it is the fault of such province or municipality. It is a local problem.

I have said in the house before and I now reiterate that the federal government should set up a department of housing and urban affairs to help, together with the provinces and the municipalites, in the solution of the urban problem. I do not ask the government to encroach on other jurisdictions. We must take a broad outlook at the real problem concerning housing and urban renewal. I am sure that if the provinces and municipalities can co-operate under the present legislation there is no reason why they could not co-operate with the present government if a department of housing and urban affairs were set up. We need co-ordination in that respect.

Although housing and urban renewal are the particular prerogatives of the provinces and municipalities, I must nevertheless commend the Minister of Labour (Mr. Nicholson), who is responsible for Central Mortgage and Housing Corporation and for the administration of the National Housing Act, for his action in going across the country when these amendments were passed in 1964 and holding in conjunction with the provinces what were termed "symposiums". These were held not only with the provinces and municipalities but with public service organizations, service clubs and other people across this country and had to do with the legislation which had been passed in 1947. In effect he said to all those attending: Do it and we will help you; the funds are there, so kindly make an application; should you fall down on this job, then you have only yourselves to blame.

I say again that my main purpose in rising to take part in this debate is to dispel the impression left by the generalized amendment now before us with respect to the work which has been done in the fields of urban renewal and public housing, particularly as they affect low income groups and elderly citizens. I want to dispel the impression left by some members opposite who wish to portray across this country that the government has dried up the source of funds to do this important work. That is not the case.

It ill behooves any of us in this house to try to create this impression throughout the country. Public housing is an important field. A lot of work has been done in this field. When I heard the hon. member speak of the tight money policy, and here I am relating my remarks to housing and urban renewal, I at once thought of the niggardly increase from $25 million to $50 million made by the former government in the years from 1957 to 1963 with respect to urban renewal and public housing.

I think hon. members opposite should be the last to talk about a tight money policy as it affects housing and urban development across this country. During the period from 1957 to 1963 the only amendment to the National Housing Act for urban renewal purposes was an increase in the statutory limitation from $25 million to $50 million. If that was not tight money or a retrograde step in urban renewal in this country, I do not know what was.

The bill before the house in 1965 sought to amend the National Housing Act further to increase to $300 million the funds available for purposes of urban renewal and for the purposes of public housing that accompany urban renewal. Passage of the bill by the house assured that Canadian urban renewal projects would boom, as they have done. This program involving housing for our low-income groups—

An hon. Member: Six o'clock.

Mr. Macaluso: —was introduced to make sure that there would be no restriction through lack of funds in carrying out those worth-while objectives.

I feel very strongly about urban development in this country. In my view we have fallen behind a great deal. I do not say that the government should take all the credit for the improvements brought about by the 1964 amendments but I do feel that credit ought to go where it is deserved. I believe that credit should be given to the government for bringing in a crash program, for bringing forward the amendments of 1964 and for providing the funds to implement the amendments.

More has to be done in the fields of public housing and urban renewal. More can be done. The provinces, the municipalities and the federal government have been working together and must continue to work together closely.

Finally, Mr. Speaker, may I again say that my purpose in rising to speak on this particular question is to refute the impression being sought to be conveyed that a tight money policy affects housing and urban renewal development in this country. The money is there. All the provinces and the municipalities have to do is ask for it.

Mr. Hales: May I call it six o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTION TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Speaker: Order, please. Before an hon. member calls it six o'clock, I should bring to the attention of the house that the following subject is to be considered this evening pursuant to provisional standing order 39A: The hon. member for Kootenay West (Mr. Herridge), Power—Columbia River—reported increase in anticipated cost.

Pursuant to special order made earlier this day I do now leave the chair, it being six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

FINANCE—TIGHT MONEY POLICY—NEGATIVE APPROACH TO PROBLEMS

The house resumed consideration of the motion of Mr. Sharp for committee of supply, and the amendment thereto of Mr. Hees.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I welcome the opportunity to make a few remarks on the supply motion now before the house, and particularly the amendment moved which embodies the very important economic matter of loans for house building in Canada. Before I proceed further I should like to draw to the attention of my hon. friend from Hamilton West (Mr. Macaluso) to the fact that he seemed to stray from the amendment, and in order to put the record straight I think it would be as well to

read the amendment that is before us. It is as follows:

> The policies of the government in imposing tight money and denying builders and prospective homeowners needed mortgage funds, constitute a negative approach to the problems facing our economy and are seriously impeding the development of the nation.

There is nothing in this motion that deals with loans for the building of residences for universities.

Mr. Macaluso: On a point of order, Mr. Speaker, I would draw to the attention of my hon. friend that if I had strayed from the subject matter of the motion the Chair would have drawn this to my attention.

Mr. Bell (Carleton): That is not a point of order at all.

Mr. Hales: I doubt whether that is a point of order. However, Mr. Speaker, the fact is that the hon. member discussed at great length the amount of money available for the building of residences on university campuses. We do not argue this point. We are talking about direct mortgage loans available to individuals. As a matter of fact, amendments to the National Housing Act permitting universities to build residences were introduced by the Conservative government in, I think, 1961. This legislation provided for an interest rate of 5 per cent, over a period of 50 years, and I am happy to say that practically every university in Canada has made good use of this program.

When talking about money being lent in order to build university residences, and the tight money policy of this government, I should like to point out that if the government were to examine some of the residences being built on university campuses, I am sure they would realize that these residences could be built for less money, be less luxurious, and then more money would be available for the building of homes.

Direct mortgage loans being reduced by 15 per cent is, when compared with the figures of 1965, a very, very serious situation in this country. If my hon. friend from Hamilton West does not realize just how serious this matter is, I would suggest that he sit down with the builders in his community, as I did a few Saturdays ago, and he would realize the problems they face. The builders certainly brought to my attention how serious the problem is. The men in the home building industry are very, very concerned. Small builders are being put out of business. I refer to the man who builds five to ten homes a year.

The big builder seems to be getting enough mortgage money, but I am concerned about the small builders who face a very, very serious problem. I cannot understand why the minister cut by 15 per cent the money available, the same time as approved lenders were curtailing their loans. Here we have the two lending bodies drawing in the available money all at once. Why did not the minister wait to make his 15 per cent curtailment of funds until after the conventional lenders reduced the amount of money available? But here the two things happened at the same time, creating a drastic and serious situation as far as home building in Canada is concerned.

I do not think there is a member in this house who has not had representations made to him by builders in his community as to the serious problem created by the shortage of mortgage money. The president of the National House Builders Association had this to say in a telegram sent to the Prime Minister (Mr. Pearson):

• (8:10 p.m.)

> Reports received today from member associations indicate further disruption and curtailment of employment due to lack of mortgage funds. Examples Winnipeg quote lay-offs by quality builders 120 shop labour. Other typical lay-offs 30, 35 and 15 respectively. Lakehead quote six builders report reductions in carpenter and labour force from 322 total to 57. Victoria quote 75 carpenters unemployed as compared to 14 this time last year. Calgary quote most home builders laid off approximately 10 per cent trades. About 75 per cent will have to be laid off in approximately 1½ months. Ottawa quote Ottawa builders alarmed over prospects for next three month period. Montreal quote curtailment in excess of 70 per cent. Hamilton survey of eight builder firms indicate average lay-offs of 38 men per firm.—

Mr. Winkler: Would the hon. member permit a question? Did he say this was in Hamilton?

Mr. Hales: Yes.

Mr. Winkler: Would the hon. member mind repeating that for the benefit of the hon. member for Hamilton West (Mr. Macaluso)?

Mr. Hales: I think he should realize the situation in Hamilton. The telegram sets out the situation in the building trade today. In light of this, let us review the actions of this government, which asserts that it instituted

the war on poverty. Granted, its actions were copied from the Americans; but here we have the government doing the very thing which will bring about poverty by curtailing building funds.

Some hon. Members: Shame.

Mr. Hales: I have the figures before me for the month of April in my own locality. The Guelph N.E.S. office listed 22 males unemployed in the construction industry, at the very time of year when these people should be busy at their trade. But they are unemployed because of lack of mortgage funds.

I am told that only one out of every five applications for direct mortgages is being granted at present. That is how serious the situation is. I am told that the rich can get mortgage funds but that it is very difficult for the average working man to get a loan. It is true that loans are available for apartment houses. Other loans are available for large, luxurious office buildings; but is that what we need the most in Canada today? I say that we want money to build homes for individuals.

Some hon. Members: Hear, hear.

Mr. Hales: I am told that the large-scale builders can get loans, but the small builder, the man who builds five or ten houses a year is not able to get loans, and this is very serious for him. I am also told that large-scale builders who have reached the saturation point in their own areas are now moving into my own area to build houses, and that this is creating a real problem for the small builder.

I would recommend to the government that first and foremost it should not curtail by 15 per cent direct mortgage loans as compared with last year. They should provide the same amount of money as was available last year, especially at this season of the year. It should not postpone its decision on this until next winter or next fall. Now is the time when builders need and want mortgage money, and if the government wishes to impose this 15 per cent reduction it should postpone its enforcement until later on in the year. Let's get building—now.

There are many areas in Canada in which abnormal expansion and development are taking place. These areas need homes more than other areas. In this connection I think of my own community of Guelph, which is a university town, expanding at a great rate, bursting at the seams every place one looks. Yet additional loans are not being made available in this area. It receives the same amount of loans as other areas which are not expanding so quickly. I urge that more loans be made available, not necessarily residences for the university, but for university professors and others who wish to build their own homes in various parts of the city. There are many areas of Canada in the same position. There are areas in which great mining development is taking place, such as those areas in Saskatchewan where potash is being mined. There are many such areas as I have mentioned.

I am not so sure that money is so tight, because one member of the government the Secretary of State wants to spend $6 million to buy a painting for the National Art Gallery. That $6 million would build 300 $20,000 homes or 600 $10,000 homes. How tight can money be when people on the government front benches can talk in terms like that? If money is scarce maybe it is time we began operating on a priority basis. I think No. 1 on the list of priorities would be to put a roof over a man's head and give him a place in which to live. Believe me, Mr. Speaker, if this situation is not corrected, before long people are going to be living in tents. That is how bad it is becoming in some areas of the country.

If we are going to give some thought to a priority basis perhaps we should consider how easy it is at present to get loans to buy cars, appliances, and for travel at a time when money is being curtailed for loans to allow a man to build a home for his wife and family.

I am concerned about the married man with small children who may be earning $85 to $100 a week. Where is this fellow going to live? He cannot get into an apartment house because in many cases they do not accept young families. He cannot rent a house because there is a shortage of such accommodation. This is a mighty serious situation today and it applies in many areas across the country. At present I think those who desire to build, and need a loan, have to be in the $6,000 a year bracket, receiving about $120 per week income, in order to get a loan for a house costing approximately $18,000. It is a serious situation and needs every ounce of thought and research that we can give it.

I would like to see the minister responsible for the National Housing Act give greater thought to research on building construction and supplies because I am sure there must be some cheaper way in which we can build. I am not seeking loans for speculator builders, but I am speaking for those people who really need a home, who have made an application, who have qualified and yet are told they cannot get a loan because there is a 15 per cent cutback in the amount available.

So, Mr. Speaker, I conclude by saying what I said at the beginning. I am happy to have had this opportunity to make these few remarks with respect to the curtailment of loans for building and with respect to the tight money policy which the Liberal government is imposing on the people of Canada. I am also happy to give my wholehearted support to the amendment before the house.

• (8:20 p.m.)

Mr. Macaluso: Would the hon. member allow a question? I am sure he would like to answer one. Would he give us his opinion as to why the private sources of mortgage funds, such as the insurance companies and some of the trust companies, have dried up their own particular source of investment money in the house building trade? I ask this question to obtain what information he has.

Mr. Hales: You are asking me for an opinion. First of all, it is because of the tight money policy of the government. Second, they are putting this money into apartment houses and office buildings where they have a nice tidy arrangement of one building rather, than a group of homes on which they have mortgages. This is the reason the approved lenders are interested more in this type of building than they are in homes.

Mr. Macaluso: It is because they are trying to force the interest rate up higher than it is now.

Mr. Winkler: Why do you not confer at home?

Mr. John Gilbert (Broadview): Mr. Speaker, the members of my party support the amendment which has been put forward by the opposition. The reason we do so is that it lays an emphasis on the real problem which is causing concern among many Canadians today, that is, the lack of housing. The hon. member for Hamilton West (Mr. Macaluso) made a very spirited defence on behalf of the government, but his main emphasis was with regard to amendments to the National Housing Act which were passed in 1964 and which concerned urban renewal and low cost housing, and housing for the elderly. These are very important matters, but as the previous speaker said, the main problem at the moment is getting direct loans for housing.

We feel the problem is not so much one of tight money, but rather that the government lacks a clear-cut policy with regard to housing today. For a moment I think I should dwell on a few of the remarks made by the hon. member for Hamilton West. He made quite an issue out of the fact that there is $300 million available which has not been picked up by the municipalities and provinces with regard to the projects he set forth.

Mr. Macaluso: Which has yet to be picked up.

Mr. Gilbert: He asked the Minister of Labour (Mr. Nicholson) to cause to be set up a separate department for urban affairs and housing. When last week the Prime Minister (Mr. Pearson) presented a resolution in respect of the re-organization of the departments, a real opportunity presented itself to bring forth this new department to act as a liaison between the federal department and the provinces and municipalities on some of these problems. It seems rather odd that there would be $300 million available and that the provinces and municipalities would not make full use of it. We want them to make full use of it.

Perhaps I might mention an example in the city of Toronto and the riding I represent concerning the housing situation in Canada. The three levels of government have started an urban renewal project in my riding. It is amazing how much time it has taken to develop. One of the main reasons for the delay was the lack of consultation between the authorities in the interests of those who were being expropriated. One of the main problems these people are facing is that of compensation. The federal government took the easy position that it is only the banker, that it puts up the money and plays no part in awarding compensation.

The people feel that three elements should be embodied in compensation. Not only must there be consideration of the fair market

value, but also a relocation expense should be allowed. Then there is the compulsory taking aspect. At one time there was a 10 per cent allowance for this, but now it is not allowed. Judging from the experience we have had in Broadview, no wonder people are not jumping into some of these urban renewal projects. They are being offered prices which are at least 25 per cent below what they would have to pay for comparable homes in another area.

It is very disappointing when we see the Minister of Finance (Mr. Sharp) bringing forth his budget in which he asks for a reduction of 10 per cent in government building, and only a small reduction with regard to private capital in housing. The statement of the minister on May 3 with reference to the 15 per cent reduction in connection with direct loans for the year 1966 is very disturbing. When one looks at the Central Mortgage and Housing Corporation report for the year 1965 he finds there were 166,565 housing starts compared to 165,658 for 1964, an increase of .5 per cent compared to 11.5 per cent in 1964 and 14.2 per cent in 1963.

It is obvious that the trend is downward, and this should not be. When you add the 15 per cent reduction this year, it becomes a very disturbing picture. As a new member I looked upon the Minister of Labour (Mr. Nicholson) as a man of concern and compassion. I happened to read an article concerning a speech he made in Toronto in December 1964, when he said:

> For all the talk about what we intend to do, for all our efforts, nearly 100,000 Canadian families live every waking moment of their lives under housing conditions that are really appalling—a disgrace to the communities in which they reside. The same 100,000 families cannot find other accommodation on the open market at rents they can afford to pay, and 20 per cent of all our occupied dwellings have very primitive bathing and toilet facilities. This, I suggest, is real poverty.
>
> And quite apart from the despair and degradation of blight and decay, these neglected areas impose an unnecessary drain on the civic economy. Municipal services and other facilities cost more to provide, while assessments must decline. The extra overhead is subsidized by the taxpayers of the entire municipality—assessments must be increased in good areas to offset diminishing tax revenues in the run-down neighbourhoods.

This is a statement made by the minister in 1964. You get the picture for 1965 of a .5 per cent increase, and now he is asking for a 15 per cent decrease from the 1965 picture. Not only that, but the cost of houses financed under the act increased in 1965 as it has in each year since 1961 because of the increase in the price of materials and wages, and the high cost of land. In 1965 the average cost of an N.H.A house was $17,402 as compared to $16,478 in 1964, an increase of $924.

The president of Central Mortgage and Housing Corporation in his report indicated that the average income of a borrower under an N.H.A. loan was $6,655; the average age was 35 years and the borrower had two children. How many Canadians earn $6,655 per year and can qualify for a loan under the provisions of this legislation? I suggest that these provisions are too restrictive.

• (8:30 p.m.)

The ceiling on N.H.A. mortgages was increased from $15,600 to $18,000 last year. That is an increase of $2,400. The interest rate is now 6¾ per cent, having increased in the past years from 5 per cent. The interest rate on conventional loans now stands at 7¾ per cent, or 1 per cent higher.

The president of C.M.H.C. indicated that 65 per cent of all new houses were being financed by conventional loans from insurance and trust companies, whereas 35 per cent are financed through N.H.A. loans. It seems to me that this situation should be reversed, and that 65 per cent should be financed under N.H.A. and 35 per cent by conventional loans.

When one realizes that an individual who has a mortgage of $18,000 at an interest rate of 6¾ per cent would have to pay $1,200 per year in interest or, as the last speaker mentioned, if a worker earns $100 per week it represents three months' work per year, he must also realize that housing costs are too high. In most cases housing mortgages run for a period of from 20 to 30 years. A man now 40 years of age who wants to buy a home will be 60, 65 or 70 before he has paid for it, and will have paid twice the original cost of his house as a result of the high rates of interest.

The lack of a housing program on the part of the government gives little or no opportunity for elderly people to purchase houses. People who have reached the twilight years of their life are being forced to live in rooms at high rents. The government should take the initiative to make sure that these senior citizens are taken care of in their latter years.

It is obvious that the average income in Canada today is so low that the majority of

citizens cannot meet the N.H.A. requirements, which are far in excess of those imposed by conventional lending institutions. In order to meet these N.H.A. requirements a potential borrower would have to earn in the neighbourhood of $130 a week. For these reasons the people who benefit most are those with incomes in the higher brackets.

Professor Murray once said about housing in Canada that our policy leads to socialism for the rich and private income for the poor. He also indicated in his study that by the year 1981 we will require one million new homes. And also by that time we will require another million new homes for people whose incomes are between $3,000 and $4,800 per year. We have not even scratched the surface of housing needs in Canada. Last year there were 166,000 new housing starts. One million of the new homes which will be built will perhaps be purchased by individuals with better than average income, but there will be a similar number required for those individuals who cannot afford present day prices.

The hon. member for Hamilton West dealt with the question of universities being given large grants to assist in their expansion in respect of buildings and other facilities. I hope he has drawn to the attention of the minister the fact that there are many secondary non-degree granting institutes such as Ryerson Polytechnical Institute, and others across the country, which do not qualify under the N.H.A. scheme. I received a letter from one of the governors, who set forth the proposed re-building program of his institute. At this time they have 4,000 students and expect within a period of ten years to have some 10,000 students. One can appreciate the number of residences that will be required to house those students, probably many of whom will come from Hamilton.

In a statement made by the minister on May 3, in which he set forth the reasons for the 15 per cent reduction in housing starts for 1966, he made this statement as reported at page 4617 of *Hansard* of that date:

> I might say it is my own personal view that, since merchant builders are building with the hope of profit, they should intensify, they must intensify if they need help, their search for other sources of mortgage moneys.

He is apparently asking the builders to find other mortgage money in order to build homes for Canadians. I bluntly ask, where does he think this money will be found? The last member who spoke said that insurance and trust companies were now drying up their available funds because they have found a more attractive field at an interest rate of 8 per cent. They are making these funds available to apartment and other large dwelling owners, and completely ignoring the plight of many Canadians who need and wish to build private homes. I think the minister would be doing a great service to Canada if he indicated to these builders where they can obtain money without having to qualify under the many strict provisions.

I cannot underline too seriously the necessity for the establishment of a department of urban affairs and housing to take care of some of these problems that arise in regard to the needs of Canadians for housing, and to act as a consultative body in co-ordination with provincial and municipal authorities. If we pay attention to what was said by the learned professor to whom I have referred regarding the number of houses which will be needed in the future, we must realize how urgent it is to establish a department of urban affairs and housing. The Minister of Labour may be occupied with the many other problems he has in relation to other departments for which he is responsible, but he or someone else in the government must give proper consideration to this urgent problem.

The second point to which I wish to make particular reference is that regarding N.H.A. interest rates. At the present time the interest rate on conventional loans is between $7\frac{3}{4}$ and 8 per cent, and $6\frac{3}{4}$ in relation to N.H.A. We should like to see this interest rate fixed by the government.

The hon. member for Northumberland (Mr. Hees) stated this afternoon that he would like to see the interest rate on housing mortgages set at 6 per cent. We should like to see it set at something between 5 per cent and 6 per cent, and hope that active steps will be taken to fix a pattern of interest on housing across Canada. The fact that 65 per cent of mortgage moneys for housing comes from insurance and trust companies, while only 35 per cent comes from the government, would indicate that a definite government policy in regard to housing must be formulated and implemented.

This afternoon the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) suggested that we should use some of the moneys being contributed by Canadian people, through the Canadian Development

Corporation, for a nation-wide housing program in order to take a great deal of the weight of responsibility off the shoulders of conventional lending institutions.

• (8:40 p.m.)

If there were a war, I am sure that Canadians would not hesitate to contribute to such a worthy cause as housing. Housing has become an urgent problem and the government must take immediate steps to solve it. We must take immediate steps also not only with regard to new homes but also with regard to older homes. In the riding of Broadview, which I represent many of these folk who are being ousted because of the urban renewal project are people who range in age between 55 and 60. They do not want to go to the suburbs but want to buy city homes and are faced with 8 per cent mortgages. There is a duty on the government, especially with regard to people who are being replaced because of urban renewal projects, to give them interest rates no greater than 6¾ per cent. This is something that should be done, and done immediately.

As the hon. member for Northumberland (Mr. Hees) said, the way housing is financed in Toronto today is that you get a valuation of 87 per cent on the house and you have to pay a very high interest rate of 8 per cent. You also have to pay a 2 per cent insurance fee, plus an application fee and a legal fee. Is it any wonder that Canadians are unable to buy homes these days?

One final word, Mr. Speaker, and it is with regard to home improvement loans. The best defence that we can take with regard to blighted areas is to have homes in good repair. Under the National Housing Act loans were given to people for repairs. According to the report of the president of Central Mortgage and Housing Corporation, from 1961 to 1965 there has been a steady decline in home improvement loans. People should be encouraged to take these loans for home repairs because, as I said, the best defence we have against an area becoming blighted is to have homes in good repair. I could not help but agree with the hon. member for Northumberland, the former member for Broadview who certainly took a very active interest in constituency problems, when he said that Canadians deserve good homes. This gives them a sense of pride and achievement. These are the things we shoud work for, strive for, to make this a better Canada.

Tight Money Policy

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Although it is very tempting, Mr. Speaker, I have no intention of entering into a controversy, even to the slightest degree, with my good friend the hon. member for Wellington South (Mr. Hales) who was a little more belligerent tonight than he usually is, or even to discuss the preamble of the hon. member for Northumberland (Mr. Hees) when introducing his amendment. I thought the young Conservatives were rather harsh with the former minister over the week end, particularly when one said to him, "This is the Pepsi generation, George, and you had better believe it". I suppose the hon. member for Northumberland, in referring back to incidents in 1956 and 1957 was only keeping pace with the type of attitude or atmosphere that has existed far too long in this particular house. I can be this sanctimonious about members referring to the past because I have not been here long enough to dig into the past and refer to each particular member, and some of the problems of a generation ago.

The Minister of Labour (Mr. Nicholson) who is responsible for the administration of Central Mortgage and Housing Corporation, intends to speak before the debate is terminated tomorrow evening. I would prefer to leave it to him to refute some of the very thoughtful arguments which have been placed before us today, not only by the hon. member for Wellington South but also by the hon. member for Broadview (Mr. Gilbert). Looking through some of the clippings this afternoon, Mr. Speaker, I find that statistics, for what they are worth, are reassuring to those members who are afraid that, as a result of the curtailment of money, there will not be as many housing starts this year as last year. I thought the hon. member for Broadview was rather pessimistic, so I should like to refer him to an editorial that appeared in the *Globe and Mail* on April 29. I quote:

> In the first place, although builders and members of parliament seem convinced that there will be a decrease in the number of houses built this year, the first quarter, in fact, shows an increase. Starts on single detached dwellings were up 18.9 per cent during the first three months of 1966 over 1965, and up 23.8 per cent in March over March of last year; and, as Mr. Nicholson pointed out, last year was the record year for house building.

I refer specifically to single dwelling homes, but I was interested in the remarks of

the president of Central Mortgage and Housing Corporation, Mr. H. W. Hignett when he addressed the National House Builders Association and suggested that by 1970, 70 per cent of adult Canadians will be either in their twenties or older than 65, the ages of apartment dwellers. He left that association with the thought that perhaps the time had come for builders and the government to put the emphasis on a different style of home. Obviously by 1970 the plight of our senior citizens will be even more acute than it is today.

I think the recent report of the Senate committee on aging, which I believe is a rather historic document and one which will be to the everlasting credit of the Senators who worked on it, stresses the plight of the senior citizens of this country. Mr. Jean Lupien, vice president of Central Mortgage and Housing Corporation said to the same House Builders Association that they had become too dependant on government agencies for the flow of funds and that they were not meeting the real needs of Canadians for housing. Mr. Lupien is an expert in the field, and I am not. He says this:

> You are trying to impose the wish for a house on people who cannot afford it. You put the houses away out where they create transportation costs for the buyers and you add to municipal problems.

I can only speak with some knowledge of my own community, Mr. Speaker. In a country as large as Canada, I realize that problems in the field of housing vary tremendously from area to area. I come from a province which should hang its head in shame, the province of Quebec, in so far as its approach to housing is concerned In this House of Commons, I represent the city of Verdun, a constituency of 90,000 people which has yet to build or stimulate the building or create the incentive for the co-operative building of even the first home of any description for senior citizens. I think it is a shame and it underlines one of the main problems which we have in a country made up of 11 different governments.

• (8:50 p.m.)

In my community since 1962 I have been prodding the mayor and city council to take advantage of the terms offered by Central Mortgage, to no avail. In 1964, thanks to members in all parts of the house, I am sure, section 16A of the National Housing Act was amended to provide money by way of loans up to 90 per cent of the purchase price of apartments, dwellings and homes for senior citizens and to those families of low income.

When that was done, once more I prodded my community to take advantage of this legislation, and I mention this because I am sure there are thousands of communities of which the same can be said. The 90,000 people of my constituency are concentrated in an area I could walk around in half an hour. They live in homes four or five storeys high, no less than three. The people live in rooms on $75 a month, in loneliness, in pathetic conditions, paying more than they can afford for a dingy room on the third floor.

Why is this so, Mr. Speaker? It is not because the federal government has not put the funds at the disposal of the provinces or the municipalities. It is not because Central Mortgage and Housing Corporation has not been willing to place at the disposal of interested parties their assistance and experience. It is because there has not been sufficient pressure placed on municipalities at the civic level to take advantage of the legislation waiting here in Ottawa.

I can talk, of course, only of conditions in my own riding and I have no right to pass judgment on other ridings. I cannot cry at all for the fellow down the street who is having a hard time deciding whether to buy an $18,000 home or a $22,000 home. I cannot get too excited about him. I am concerned about the senior citizen who cannot find a flat for $40 a month and has to leave his or her spouse and move in with the children. These are the people I am concerned about, and I am concerned because I know that money to assist them is lying idle in Ottawa because through indifference, callousness or through ignorance of the fact that it is available, communities refuse to take advantage of it.

Some hon. members may ask, why not do something about it in your community? Well, Mr. Speaker, I did do something. About six or eight months ago, tired of the procrastination of the city council, I wrote every organization in the city of Verdun—service clubs, the Lions club, Kiwanis, the Richelieu club and senior citizens organizations. Finally I organized representatives from 30 of these bodies into a committee on housing. We then marched upon city hall a month before the civic elections and presented a brief requesting that the city of Verdun set up a housing committee consisting of eight people, four

representing the city and four representing the citizens, in order that we might eventually stir the community or the municipality into action and request relief from the federal government under section 16A of the National Housing Act. I might say, Mr. Speaker, that in this venture we were successful. Our brief has been read, council has acted upon it and the committee has been set up. Central Mortgage and Housing has been contacted.

The procedure, Mr. Speaker, is rather laborious because this civic housing committee must now contact provincial authorities to make sure that it does not become involved in one of these federal-provincial disputes, but eventually a request for housing for senior citizens in my community will come to Ottawa to be, I hope, approved, provided certain norms are met.

I am not interested in giving this government or the previous government credit; credit is not important. But when we talk about housing for senior citizens, when we talk about slum clearance or when we talk about urban redevelopment, I think Canadians must realize that the responsibility for the implementation of much of the legislation in connection therewith falls upon their shoulders, as well as on the shoulders of the hon. member for Verdun, or the hon. member for Wellington South (Mr. Hales), or the hon. member for Broadview (Mr. Gilbert), or any other fine gentleman in this house.

I know, Mr. Speaker, there are certain communities, such as those like the city of Hamilton, certain sections of Toronto and probably some out west, which have taken advantage of the assistance offered by Central Mortgage to help our senior citizens. But hundreds and thousands of Canadians, according to the Senate report on aging, are living in conditions that are a shame to Canada, with our tremendous standard of living. This state of affairs is not brought about by a government unwilling to do anything to correct it: The fault lies in the red tape which exists between federal, provincial and civic authorities, which prevents our walking into a community and saying that we should knock down 25 blocks square and build some decent housing for the citizens. This type of initiative must come from the civic level.

Many of the provinces have already realized that this should be the approach, and at least four or five of them have supplemented the assistance offered in worthy cases. The province of Quebec is probably the most backward of all provinces in this regard, but there are indications that in the very near future that province will be setting up an association or department similar to that existing in Ontario and in other provinces.

However, Mr. Speaker, I wonder whether private builders, who have had the best of both worlds for so many years now, with housing shortages and ample funds from private industry, private enterprise, other private sources and from the government, have really done their part in the matter of funds. Looking around some of the communities close to Verdun and some of the housing projects which have been constructed, it does not take very much vision to foresee the slums of the future. It seems to me that a review of housing in general is needed. The Minister of Labour (Mr. Nicholson) has been the ideal man to look after Central Mortgage. I do not know who chases whom, but it came under his jurisdiction when he was postmaster general, and it is again under his jurisdiction now that he is Minister of Labour.

The minister pointed out the other day that we were cutting back funds by 15 per cent, not over the average of the last five years, but 15 per cent of a record year. I do not think in all fairness that the government should be chastised for adopting such a policy. The members who have spoken so far have spoken well, but their comments have been made really in a different light. The hon. member for Broadview, the hon. member for Hamilton West (Mr. Macaluso) and the hon. member for Wellington South have pointed to a social illness, namely the lack of housing in general, which I do not think is tied in too much with interest rates. I think this question is tied in with the logical profit-making attitude of private industry. I believe it is time for the government to give more directives and more incentives to build the type of housing I envisage, the type of housing which the president of Central Mortgage and also the vice president politely pointed out is so badly needed now, and will be even more badly needed by 1970.

• (9:00 p.m.)

In certain communities such as mine, the people cannot afford the luxury of a nice home in the country with a lot 50 × 50, a garden, and all the rest of it. That sort of

thing might be the dream of the young executive who can afford it. It cannot be the dream of our senior citizens in the community in which I live.

This is why I am pleased that the government, in its policy of restraint respecting tight money, has been very careful not to curtail the moneys available for these types of enterprises which have to do with senior citizens.

I am saddened that the municipalities across this country, either through lack of communication, indifference, or callousness, have not faced up to the responsibilities they have toward the citizens of their communities. These responsibilities should not rest on the shoulders of the federal government alone. They must be met through co-operation between the civic, provincial and federal levels of government.

I thought when the federal government made changes in the National Housing Act, granting up to 90 per cent coverage on loans on projects dedicated to providing housing for senior citizens, and also those with low incomes, that there would have been generated the biggest building boom in the housing history of Canada. That has not happened. Frankly, why it has not happened has puzzled people who are close to the problems of senior citizens. It has puzzled those who are active in the field of social welfare—such as volunteer workers, or the members of the Victorian Order of Nurses—who day in and day out see the dilapidated conditions under which senior citizens live, many of them paying $50 or $60 a month for a room on the island of Montreal because no other type of housing is available. That sort of thing is a sin; it is a shame. The responsibility is not entirely that of the federal government. It falls simply on the shoulders of the citizens of those communities, who are responsible for citizens less fortunate than they are.

Those are the people who refuse to march on city council demanding housing for senior citizens. They do not send resolutions to the provincial government asking it to get in touch with the federal government and ask for money— money which is waiting for them and which, as I understand, although I have no statistics in front of me, has never been used to its fullest extent. There has never been pressure on the government to expand these types of funds because they have never come anywhere near to being completely used by communities for the purposes I speak of.

[Mr. Mackasey.]

I know what I have done in my community. I know what we shall be doing for our senior citizens in our community. But I do not think it is my duty as a federal member of parliament to have to generate interest on the civic level about the things I speak of. I believe that the role of the members of this house is to provide the plan, the money and the know-how. People all across Canada should take a look at their own communities, at their own church group, at their own social groups, and perhaps ask themselves; "I wonder what conditions that old gentleman who has just passed us lives under? Does he live in a room? Why is there no housing in our community? Why are there not homes for senior citizens around here?

I might add, Mr. Speaker, it is not because money is not available; it is not because the know-how is not there; it is not because the builders are not there. It is because in this big country in which we live, where you have federal, provincial and civic administrations all working very delicately together, all afraid to step on each other's toes, we have to start with requests on the civic level, going up the ladder to the provincial government, and then to the federal government.

I resist the temptation to answer some of the very pointed, and at times logical questions that were raised in this debate. I will leave that pleasant chore for the minister tomorrow evening.

Mr. More: You might do it more capably than he can. Let us hear you.

Mr. Mackasey: Thank you, but I have a very high regard for my minister. I frankly think he will answer, as he should, more adequately than ever I could.

I am here speaking as a representative of a community that I think has let its people down badly. As I look at the statistics on my desk I have the very uncomfortable feeling that my community is of the type that are in the majority; that, unfortunately, it is not the exception, but the rule.

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I am pleased to have the opportunity of saying a few words on this supply motion. Why is that, Mr. Speaker? The answer is simple. I want to talk about certain specific policies and situations designed and created by this government.

The three legs of the stool that have brought about the present situation are, first, the supply of money. Second, the demand for loan money, and third, out of the interplay between these two, the interest rate.

This government's policy has been one-sided, having to do with the supply of money. First of all you have the statement by the Minister of Finance about paying 5 per cent on taxes taken, with the promise that this would be paid back later. That is a policy to dry up the supply of lendable funds. There is no doubt about it. Then there are other policies, such as those implemented by the Minister of Labour who is responsible for central mortgage and housing, which are responsible for raising the mortgage rate of National Housing Act mortgages from 6¼ per cent to 6¾ per cent.

Anyone who has watched the result of this action—and I have seen its results in my area—knows that for many people it is hard to find lendable funds. In many cases they have been unable to find them. Many people have deferred their plans to build because of raised interest rates, which have cut the demand for lendable funds. People who do not believe that are like the ostrich which puts its head in the sand.

I notice that the Minister of Fisheries shakes his head. I would ask him, how many fishermen would go fishing, and would buy boats, and so on, if the interest rate on the things they had to buy went up, up and up? They would not engage in fishing because they would not be able to figure where they could come out with a profit. After all, they are all economic men; that is, they are out to make a profit. If they feel that they cannot make money, they will not be induced to work. Similarly, rising interest rates mean a lower demand for lendable funds. Those funds have been curtailed. All that stems from what this government has done. In other words, money for housing has been deliberately dried up.

There are other things to be considered. Take bank loans as an example. Banks are not interested at the present time in making small bank loans because of the shortage of funds. They can make much larger loans, however, at the 6 per cent rate. So when the small businessman comes along and wants a loan; they way, "No, we just have not got the money". The banker cannot tell the businessman exactly why he is not making the loan to him.

• (9:10 p.m.)

The banker will tell him that his security is not good, his chances of making a profit are not good, or something of that sort. In 1962 this government had an election platform which included a policy and program to help small business. Let me read exactly what they said they would do to help small business. They said they would ensure a square deal for small business; they said that Liberal policies were for more plentiful credit, lower taxes and expanding business; they said that economic measures would be designed to broaden opportunities for the various enterprises of our smaller manufacturers, retailers and service businesses.

Has this government forgotten its promise of 1962, or has it changed its mind? This was their platform in 1962. Now they are doing just the opposite. I was amazed by the statement of the hon. member for Verdun (Mr. Mackasey). He said he had prodded different local people to bring into effect certain policies for housing, old age pensions, and so on. He said he had prodded and prodded them and still had not been able to get them to act. Did the hon. member ever consider that there was a more serious fault than people in local communities suffering from inertia? Unless you implement over-all policies, which this government has never done, you will not get the proper reaction from local people. I will refer to this election campaign propaganda a little later on.

I draw attention to this three-legged stool; the supply of money on one side, the demand for loans on another, and the interplay of both creating a higher interest rate. In the result the interest rate goes up. What you are doing in these circumstances is closing off those people who want loans to purchase consumer goods, thereby preventing putting this money back into the process of production and producing goods for export. You head off inflation but the economy suffers; there is no question about that.

This government has restricted the supply of money. As a result our people are crying out for consumer goods and there are not enough consumer goods to go around. That is the interrelationship effect on our economy of increasing the interest rate. I suspect that the government has raised the interest rate on

Central Mortgage and Housing loans from 6¼ per cent to 6¾ per cent because they intend to amend the Bank Act to raise the 6 per cent interest on bank loans. I am waiting for them to do this, and I have both barrels cocked if they do.

The raising of the 6 per cent interest rate on bank loans will not solve the present economic ills of this country, because we have in our economy certain rigidities; we have a monopolistic economy wherein competition is not the same between different groups. I can prove my point by simply saying that you may have perfect competition, for example, between one large number of producers. To illustrate my point I would refer to our farmers who produce wheat; one farmer does not realize that his neighbour, also producing wheat, is in competition with him. In other words, there is perfect competition between these farmers. This is a term that economists use and it applies to two farmers, for instance, each of whom does not know that the other is a competitor.

This is a vastly different situation to that applying to the eight chartered banks we have in this country. I may go into one bank and borrow money from them, but have dealings with another bank. I may talk to one bank manager and indicate that I paid so much interest in another bank. I do not know whether banks circulate this information among themselves, but they find out these things—there are many ways in which this can be done—and there is an interchange of views. At various dinners, for example, they get together, or while at their clubs, and find out what the other is charging as interest on loans, and that sort of thing; then they make reports periodically.

Therefore you have a degree of monopolistic competition in the banking industry of this country. I would point out to the house that what will work among farmers will not work among banks. If you start raising the interest rate beyond 6 per cent, you will generate with regard to the banks of this country the demand for reform. There may be pressure upon parliament to bring in a new measure to take over the supply of lendable money. An element in the west will be saying that the Bank of Canada should take over the lending function of our chartered banks. I am not one of those who advocates this being done, but this will be suggested; make no mistake about that. The Bank of Canada, as everyone knows, is the fountain-head for funds, with the exception of deposits. It stimulates deposits by lending money to the chartered banks, and they in turn extend credit to around twelve times the funds they have borrowed. When those funds are re-deposited in the banks, they lend them again at the expanded rate, and so the cycle continues. This is how the banks receive their lendable funds.

If the ceiling on the interest rate is removed and banks are allowed to charge more than 6 per cent, we will be breaking faith with an undertaking given to the people of this country a good many years ago, that the interest rate would be 6 per cent. This will be evidence of the fact that this government has not the capacity or know-how to control our economy without raising the interest rate and placing a heavier burden upon the man who wishes to own a house. He will be paying a much higher rate of interest on his mortgage money and, being a small borrower, will not be able to borrow more money. I hope the government will bear these facts in mind and think twice before they embark upon a policy such as the raising of the interest rate on bank loans.

• (9:20 p.m.)

Let us spend a few moments considering the effect of this tight money policy. There is no doubt that it is a tight money policy. The government is restricting the supply of money, by one means or another, by government measures and edicts, and that is curtailing the expansion of the economy. There is now a greater demand for the money that is available, and so interest rates rise. It is like a dog chasing its tail. Everybody wants more money and pays higher interest rates. The only check is when interest rates climb so high that nobody can afford to borrow because they will not make a profit. Consequently they do without. That is not what we want in our economy.

Look at the cost-of-living index. Everything is costing more, whether for production or consumption. The housewife knows what she has to pay when she goes to the store. There has never been such a rapid rise in the cost of living as there has been since this government took office. The D.B.S. statistics clearly illustrate this.

The value of the dollar has depreciated in relation to purchasing power. The old age

pension of $75 a month is now worth about only $70 in terms of purchasing power. My hon. friend from Verdun was shedding crocodile tears for the old people, but he did not tell us that the rising cost of living is taking the bread out of their mouths and cutting their standard of living from under them. There are thousands of others, retired civil servants and people on fixed incomes, who are terribly hurt by the rise in the cost of living.

Rising costs are also affecting those who manufacture goods for export. I have talked to many of them in my part of the country and they tell me they are being priced out of foreign markets. Markets which they enjoyed for years are diminishing, simply because of high costs.

It is not so long ago since we concluded the Columbia river deal. Today I was amazed to hear the Minister of Mines and Technical Surveys (Mr. Pepin), who represents the constituency of Drummond-Arthabaska, in answer to a question put by the hon. member for Kootenay West (Mr. Herridge), saying that the funds which have been received from the United States to build Columbia river dams had accumulated certain interest. Those of us who studied the treaty had this figured out. The minister also said that a portion of these funds had been spent, but he did not tell us whether the money which was received from the United States to build these dams will now be sufficient in view of inflation, the rise in the cost of consumer goods and all the other things that make up the costs of production.

He simply told us that interest had accumulated. I did not rise in my place to criticize him because I did not ask the question, but I can assure the hon. member for Kootenay West that if he looks at the minister's answer in *Hansard* he will find it was no answer at all to his question.

Mr. Herridge: I intend to say that at ten o'clock.

Mr. Kindt: I am glad to get a rise out of the hon. member for Kootenay West and I think we will all enjoy staying at ten o'clock to hear what he has to say.

I would now like to go into other aspects of what the government has not done.

Mr. Robichaud: Before the hon. member changes subjects, would he answer a question.

Mr. Kindt: If I have got sufficient time to complete my remarks I shall be glad to do so.

Mr. Robichaud: Would the hon. member explain why the mortgage interest rate on N.H.A. joint insured loans was increased from 6 per cent to 6¾ per cent from 1959 to 1960, and under what conditions?

Mr. Kindt: I do not have the past figures on C.M.H.C. loans, and in order to answer the question fully it would be necessary to cover all the adjoining factors. I was here at the time, but the two situations are not comparable. Furthermore, more money was put into housing at that time than is the case at present. The Minister of Fisheries (Mr. Robichaud) thinks he has a point and he is trying to save what he could call the good name and good policies of his government. I do not want to get sidetracked on an across-the-floor question, but there were different factors then as compared with now. The former government never embarked upon a policy of introducing tight money, not to the extent that the present government is doing. The two situations are completely non-comparable.

• (9:30 p.m.)

Coming back to the Liberal program as outlined in the general election of 1962, I should like to go into the field of community development and housing, because different members have spoken on this particular subject. I should like to place on the record what the Liberal party had in mind in 1962, and then we will see how much of that they have carried out. They said they would set up, if a Liberal government were elected, a municipal loan fund which, working with the provinces, would provide money for needed municipal services. They said:

> We need better streets and roads to reduce traffic congestion, less pollution, more parks. A great backlog of needed projects is held up for lack of municipal financing. The fund will make loans for sound municipal improvements which provincial governments approve but for which capital is unobtainable on reasonable terms from existing Canadian sources.

Noble thoughts; but how much has been done. The hon. member for Verdun (Mr. Mackasey) was lamenting the fact that nothing had been done in his community. This is what they said they would do when they were fighting an election. Let me read the next one. They said they would clear slums and renew blighted areas of our cities and

towns. This is how they explained what they would do. They said:

> Federal grants for urban renewal projects will be extended in scope and increased in amount. This is essential to civic progress in many areas.

How much of this was ever done? May I say, very little. Here is the next promise to the people. They were going to increase the low rental homes. Here is what they said they were going to do:

> New homes for rent are the positive side of slum clearance. A new Liberal government will join with the provinces and municipalities in a major campaign. It will give special attention to the housing needs of old-age pensioners.

What did my hon. friend from Verdun say? He said that nothing had been built for old age pensioners. Here they fought an election and put out bait to try to get the old age pensioners to vote for them. Do you think they will ever vote for them again? This is what they said in 1962. Have they forgotten what they said in 1962; have they changed their minds? Different speakers on the government side already have said in this evening's debate that nothing had been done in respect of low rental housing; that is, that there has been no program to bring that into being, nor has there been a program of homes for the aged.

I like to put this on the record, because these things are coming back to haunt this government. They should be put on the record because the members of the government have forgotten about them. They said that if they were elected in 1962, they would extend national housing legislation to provide N.H.A. insured mortgages for the purchase of existing homes as well as for building new homes. They said that this broadening, under proper safeguards, would enable more Canadians to become home owners. What are they doing now? They are raising the interest rates from 6¼ per cent to 6¾ per cent. This is just the opposite to what they said they were going to do.

Here is another one, and in this case they even are trying to get the farmer's vote. They said they would improve rural housing:

> A new Liberal government will bring to national housing policy the flexibility in planning, standards and finance necessary to meet the varied needs of different areas.

They said they are going to help the farmers with their homes. How much have they done? There are a lot of poor farm homes in my area and I have not seen any benefits there. It is just another gimmick. I have here a document of several pages. I could read many extracts setting forth different policies of this government, but one is as futile as the other. This is the 1962 platform of the Liberal party. I am not trying to pull the wool over your eyes; I am trying to take wool off your eyes, and off the eyes of the public so that they will see exactly what this government has been doing in respect of carrying out its pledges which it made to the people.

Now, in concluding my remarks, I should like to say that what is needed is the creation of a condition in the economy so that jobs will be available and so that everyone can earn a little money in order to purchase consumer goods. At the same time there should be an adequate supply of goods so that prices can be kept in check and so that there will be a proper balance between supply and demand for mortgage funds, and supply and demand in respect of the goods which are available.

Mr. H. E. Gray (Essex West): Mr. Speaker, in rising to ask the house to reject the amendment proposed by the official opposition, I feel I must start by pointing out that, contrary to what seems to have been suggested by members of the official opposition until now, looking at when they had the opportunity to alleviate the problems of which they speak, their record certainly does not justify their asking for the support of this house or this country for the amendment they have put forward. I presume they have put it forward under the guise of a suggestion that they have a greater capability to deal with the problems of housing which still remain in this country than has the government.

It is interesting to note that in 1962 housing starts totalled only 130,095; in 1963 they jumped to 148,624, and from there, in 1964, they jumped to 165,658. Finally we find that in 1965 there were 166,565 housing starts. In other words, in less than four years there has been an increase of 22 per cent.

Mr. Chatterton: May I ask a question of the hon. member.

Mr. Gray: I would be happy to answer questions when I have completed my remarks. It is not my habit to make an extended speech. If time does permit, I would be happy to answer questions for my hon. friend or for any of my colleagues in this house.

It seems to me, Mr. Speaker, that this dramatic improvement did not come about merely by chance. My colleague the hon. member for Hamilton West (Mr. Macaluso)—the distinguished chairman of the transport committee—I thought outlined most effectively the measures which have been put into effect by this government to stimulate the building of homes generally and to stimulate activity throughout this country in an effort to deal with the problem of supplying proper housing for the older people and people on low incomes. He also outlined our efforts in the field of urban renewal.

• (9:40 p.m.)

I think the measures of the type to which he referred, including the provision for 90 per cent financing of low rental public housing, increased federal funds for urban renewal and, contrary to what was suggested by the hon. member who just spoke, making N.H.A. loans available for older homes, provided they are located in urban renewal areas, have all had a lot to do with the very important increase in housing starts since this government took office. There has been a dramatic increase in the supply of funds available through the federal government for urban renewal and low rental housing. This, as well as many other measures, has contributed to this improvement.

If I refer to a particular example of one community in this country of ours I think it will help illustrate what I am trying to say about this difference which has come about since this government has had an opportunity to bring in measures to increase the amount of housing available for Canadians. In my own community of Windsor in 1962 there were only 495 units started. In 1963 this number increased to 728; in 1964 to 1,125 and in 1965 to some 1,800. It is interesting to note that in 1965 for the first time housing starts reached a total greater than the 1,700 which occurred in 1954. In other words, when our hon. friends in the official opposition were in office and had charge of the housing policy of this country, just taking the period from 1959 to 1963, in the Windsor area the annual total averaged between 500 and 700 units as compared with the prospective 2,000 starts for 1966. There are some 695 publicly owned low rental units either under construction now or to be started within the next several weeks. I think some of the measures of this government to which I referred have had a very important effect in bringing about this improvement in the Windsor area.

Reference has been made by various speakers to the effect of the present government's policy on the housing picture for the current year. It seems to me that it should be emphasized that this government has made it clear that it does not intend to reduce the number of direct loans to be made available to the home building industry this year. Last year some 31,500 direct loans were made available for the construction and purchase of homes. The hon. Minister of Labour (Mr. Nicholson) has stressed in this house that the government program for this year will not reduce that number below that level.

It should be remembered that of the 166,000 starts in 1965 the majority were financed by private lenders. If the prospect in this country at this time indicates that this record level of starts may be reduced by 15 per cent this coming year the blame for this decrease must fall upon private lenders who are not carrying out a definite social responsibility of providing loans at the same level.

I do not agree with those hon. members who have suggested that the Minister of Labour has announced that this government has decreed a 15 per cent cutback in housing starts in Canada for 1966. I read the minister's statement and as far as I can see he merely conveyed to this house the latest information available in relation to projections for housing starts in the current year. I hope that the final result of construction programs financed through either direct loans from C.M.H.C. or through private lenders will not be less than the record number of starts in 1965. At the same time I cannot help but note that there are areas in this country, including the Windsor area, which at the present time still have a serious housing shortage. The efforts of this government since it took office have helped to begin to fill the gaps which exist in housebuilding in areas such as Windsor where a serious need still exists.

The very important and significant increase in employment in the Windsor area since 1963 has created an additional pressure on the limited supply of housing available at the beginning of this period of improvement in economic conditions. I suggest this improvement in the economy of this area is a direct result of some of the economic programs implemented by this government, including the designated area measure and the automotive pact.

Some hon. Members: Hear, hear.

Mr. Gray: At this time I should like to call upon the minister and this government to develop and put into effect as quickly as possible policies and programs which will give special attention to the needs of areas such as Windsor in order that these housing needs will not remain unfilled in the immediate future. I am sure the minister will do everything possible to encourage private lenders to become more actively engaged in the housing field. If his efforts, by way of what I might call morale suasion, are not successful in bringing to their minds a sense of responsibility the government will have to give active consideration to a greater direct involvement in the mortgage financing field.

At the present time the government should take steps to give special attention through its program of direct lending to such areas as Windsor. Special attention should be given to the creation of quotas greater than those which might otherwise be available in those areas which have a special need for housing. I must stress that this need would have been much worse at this time had it not been for the efforts of this government under the leadership provided by the hon. Minister of Labour. This government in making efforts through the Central Mortgage and Housing Corporation and through co-operation with municipal and provincial governments to find an answer to these needs.

The time has also come when we must encourage private industry to take a more active part in providing housing for their employees.

• (9:50 p.m.)

This is not merely a matter of responsibility on the part of those industries to the communities in which they find themselves. Surely, in areas such as Windsor it is also in the direct interests of the industries in question to make certain that they are able to keep the skilled working force they have, to attract additional workers to fill the jobs that are being created in large part because of the success of the economic policies of this government. I think that the minister, both directly and through Central Mortgage and Housing Corporation, should encourage the major industrial firms in communities like Windsor, either to do something themselves in the field of housing for their employees or to combine together to form non-profit corporations which, with the assistance of Central Mortgage in planning and perhaps in financing if necessary, would help fill the demand for housing in areas such as the one from which I come.

Another point I should like to make at this time, Mr. Speaker, is that I feel the income scale now being imposed by the Ontario Housing Corporation on new public housing projects, which are being constructed in areas such as Windsor, has a definite need of revision. I feel that a study of this scale will indicate that the penalty rent level comes in to play too quickly and fails to take into account the realities of the wages that people who work in our factories actually earn today, as well as the costs they have to meet out of those wages. I recognize that the principle is that people above a certain income level are to be discouraged through the application of the rental scale from staying in those units. They are thus being encouraged to go into the private housing market. At the present time, however, in many areas of this country, there is a shortage of private housing for these people. It either does not exist or if it exists at all, is at a rental which is difficult for factory workers or other people in that type of job to meet. I think that equity and the needs of the people in the lower income ranges demands a revision of this income scale on the part of those concerned.

I have not hesitated to speak in a way which might be taken by some to contain a note of criticism of those responsible for our housing policy, perhaps not criticism so much as calling for further action in certain directions. At the same time, Mr. Speaker, I want to stress again my feeling that, in spite of this call for further action I can at the same time ask this house to reject this amendment offered by the official opposition. I say this because of the record of achievement of the present government, which I feel justifies all hon. members in this house in having a feeling of confidence that this government is capable of continuing to meet the needs that still exist for better housing for our citizens in every part of this country. Because of this confidence on my part, because of the evidence on which this confidence is based, I feel that the amendment offered is not well founded when it, in effect, criticizes the government for bringing about difficulties in the availability of funds.

I reiterate that we have reached the point where there must be a development and a

putting into effect of policies under which special consideration is given to areas which still have a serious need of housing. At the same time I feel that the achievements to which I have referred are such that this house is obliged to vote against this amendment, to continue to support this government so it can continue to move ahead to deal with the housing problems that still remain in a way in which I am sure they are able to do, based on the clear record of their period in office.

Mr. Chatterton: Would the hon. member permit a question? He cited the number of housing starts during the early 60's; will he now quote the number for 1955, 1956 and 1957 resulting from the previous tight money policy of that government?

Mr. Gray: I believe I have the statistics here.

An hon. Member: We would be much more interested in the future than the past.

Mr. Gray: Yes, that is the trouble with the official opposition; they are living in the past rather than the future. I will answer the hon. member's question. I just want to make sure I have the right line here in the Canadian Housing Statistics: 1956, 95,615; 1957, 87,995; 1958, 107,839; 1959, 108,059; 1960, 90,113—goodness gracious, what happened in 1960? Do you want me to continue?

Mr. Hales: Will the hon. member permit another question? Can he advise how many of these direct mortgage loans are made to the United States citizens living and working in Windsor?

Mr. Gray: No, I am not able to do that because I do not believe the statistics are computed on that basis. If these people have come to make their homes in Windsor, they have affiliated themselves with our community, are paying taxes municipally, provincially and federally, and I think therefore that the question is irrelevant.

Mr. Keays: May I call it ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

Proceedings on Adjournment Motion

POWER—COLUMBIA RIVER—REPORTED INCREASE IN ANTICIPATED COST

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on May 12 I asked the minister the following question:

> In view of press reports that there will be an over-expenditure of some $200 million on the Columbia treaty projects before they are completed, would the minister inform the house whether any reports from the federal representative on the federal-British Columbia liaison committee, or from the federal representative on the joint engineering board, indicate that the projects will cost considerably more than the government of British Columbia has received from the United States under the terms of the Columbia treaty?

My question is based on newpaper reports and other information I have obtained from British Columbia sources with respect to two things: first, faulty engineering studies and, second, the anticipated cost of other Columbia treaty projects with respect to faulty engineering studies, I wish to quote from the Nelson *Daily News* for February 24, 1966:

> Vancouver sources reported Wednedsay that the construction schedule at the dam has been hard hit by inaccuracies in engineering data supplied to the dam builders. Core drillings reportedly showing solid bed rock proved false when the underlying structures were found to be weakened by dirt seams and cracks.

Now, Mr. Speaker, I was rather surprised to read this report in view of the fact that the engineers of the federal water resources branch appeared before the standing committee on external affairs when it was giving consideration to the Columbia river treaty and protocol in April, 1964 and stated they had every confidence in the engineering studies undertaken by the water resources branch, their counterparts in British Columbia, and the various engineering consulting firms.

• (10:00 p.m.)

I just want to quote briefly from the Revelstoke *Review*. Mr. Strachan, when addressing a public meeting, had this to say:

> When the Columbia treaty was signed the government claimed $273 million paid for downstream benefits would be invested and with accumulated interest would total $501 million in 1973. Mr. Strachan said this was supposed to pay the cost of three dams and one half the cost of generators at Mica Creek.
>
> "Because of this we went ahead with High Arrow, which will flood good farm land and probably wreck some fine sport fishing," he said. "Now we find that this will not provide enough money, and that the people will have to find the balance."

Many people in British Columbia are concerned about this information, which appeared in several newspapers in the province.

In the first instance, I was surprised to find, in view of the project cost estimates submitted by the water resources branch, to be found at page 185 of No. 3, Minutes of Proceedings and Evidence, Standing Committee on External Affairs, as submitted by the water resources branch, that these preliminary cost estimates used in making evaluations were made by the water resources branch and its engineering consultants.

I was also surprised, Mr. Speaker, in view of the evidence given by Mr. G. M. MacNabb of the water resources branch, to be found at page 248 of the Minutes of Proceedings and Evidence given before the Standing Committee on External Affairs on Friday, April 10, 1964, in which he said:

> At the end of the construction period you will see that we have a surplus of $53 million in 1973, after paying all construction costs over that period.

I was also surprised in view of the evidence given by the Secretary of State for External Affairs before the standing committee on external affairs, during the course of which he was asked this question:

> Mr. Davis: The compensation for the sale of this service in monetary terms is more than enough to build the projects?
>
> Mr. Martin (Essex East): Oh yes, there would be a surplus of $53,000,000.
>
> Mr. Davis: Some of this will go for generating on-site power.
>
> Mr. Martin (Essex East): That surplus will provide for about one half of the cost involved in establishing the generating machinery.

I was also surprised, Mr. Speaker, in view of the evidence given by Hon. Ray Williston, which appears at page 317 of the Minutes of Proceedings and Evidence, Tuesday, April 14, 1964. I will not quote it at length because I see my time is running out, but he recognizes, as does everybody else, that the most critical aspect of this problem occurs around the Arrow lakes. During the course of his evidence he said:

> I think our estimates are well within any costs which might occur.

I am informed that Hon. Robert Bonner, Attorney General of British Columbia, has told the press that the increased cost of the Columbia river project is caused by the 11 per cent sales tax. I would appreciate the minister informing us, when he takes the opportunity to reply, whether this tax has been responsible for the increase in the cost of building the Columbia river projects.

I was very pleased to hear the Minister of Mines and Technical Surveys inform us today that as far as figures are concerned the Columbia river fund to date, with interest earned, totals $295,917,782, and that the expenditure to date has totalled $97,914,505. These figures do not tell the whole story, however, Mr. Speaker. They do not include the commitments which have been made to date, of which I have fairly good knowledge, with respect to contracts let at the present time. We must have the commitments made to date—that is, as at March 31—if we are to draw any accurate conclusions.

In my opinion the people of Canada and the people of British Columbia in particular are entitled to the facts with respect to the costs and commitments entered into in the development of the Columbia river treaty projects, and I look forward to hearing further from the minister with respect to my question, which is of interest to a great many people.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I had to rise to my feet before I had the opportunity to join in the applause. I must confess, not only as a member of parliament from a British Columbia riding but as one who has had an interest in public utilities and particularly in the development of my own province for many years, that the question put by the hon. member for Kootenay West is very timely.

We all know something about the most important developments which have been taking place of late in all parts of Canada, and more particularly in British Columbia. With the Columbia river and Peace river hydroelectric projects both going on at the same time, with the major expansion in the pulp and paper industry, that is taking place in the province, where we have plants either being put into operation, under construction or on the drawing board valued at approximately $600 million, some problems have arisen.

My mind has been more or less continuously on housing for the last four or five hours. I am going to visit Prince Rupert, in British Columbia, on Monday next, for the sole purpose of getting a first hand report on housing conditions in that part of Canada, brought about by the tremendous expansion to which

I have just referred. It is enevitable because of the demand for construction workers in the area, because of the increases of wages, because of shortages of skilled labour and of materials used in dam construction, that costs should go up. That is why I say that the question put by the hon. member for Kootenay West is such a timely one.

The only assurance I can give him is that I will make sure that my colleague, the Minister of Mines and Technical Surveys gets in touch with the government of our province, British Columbia, to see to it that the figures we are entitled to, for which the hon. member asks, are made available as quickly as possible. I think we should have the figures. I think we are entitled to them under our agreement. As is well known, the government of British Columbia has agreed to accept responsibility for the implementation of the obligations that the federal government assumed under the treaty and under the protocol that was subsequently negotiated with the United States.

Motion agreed to and the house adjourned at 10.10 p.m.

HOUSE OF COMMONS

Tuesday, May 17, 1966

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

Sixth and seventh reports of standing committee on finance, trade and economic affairs—Mr. Gray.

First and second reports of standing committee on agriculture, forestry and rural development—Mr. Whelan.

First and second reports of standing committee on national defence—Mr. Groos.

[*Note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

• (2:40 p.m.)

HEALTH AND WELFARE

MEDICARE—IMPLEMENTATION IN FORM AND AT DATE ORIGINALLY PLANNED

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the house will undoubtedly recall that last July at the federal-provincial conference the Prime Minister stated that the federal government would be prepared to make contributions to provinces with respect to medical care programs if such programs met four principles established by the federal government. The hope was expressed at that time that a commencement date of July 1, 1967 would be found to be practicable.

Subsequently, at a meeting of ministers of health held early this year in Ottawa, it was announced in the final communiqué that several provinces had accepted the federal medical care proposals and had indicated their readiness to commence programs by July 1, 1967. Certain provinces, however, were unprepared to make definite commitments at that time. Nevertheless it was made clear that the objective of the federal government was to commence to make contributions on a nation-wide basis by the target date.

During recent weeks there have been further indications of readiness to proceed on the part of other provinces, through statements made in provincial legislatures. Questions have been raised in this house as to whether the federal government would proceed as from the target date regardless of the number of provinces committed to participate.

In order to make the position of the federal government quite clear in this regard, and to enable the provinces to plan in an orderly way in advance of the commencement date, I should like to state that the federal government proposes to proceed with the medical care program in the form, and from the date, originally planned. It is proposed to introduce the necessary legislation to enable the federal government to make contributions to any province having a program in operation on July 1, 1967 which meets the four established principles, irrespective of the number of provincial governments having such programs in operation at that time.

Some hon. Members: Hear, hear.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say just a word to express a very warm welcome for the statement the Minister of National Health and Welfare has just made to the house. The statement is so welcome that I shall not make any comment about how long we have been waiting for it.

We approve of the four conditions which the government laid down when it got into business in this field, namely the coverage of most kinds of medical care, universality as far as people are concerned, all plans to be government operated, and each plan to be fully portable. The one weakness in the government's position until a few weeks or a few months ago was that the government seemed to be waiting for all or most of the provinces to indicate their willingness to come in. The announcement today that the government is prepared to bring forward this legislation and let it come into effect in any of those provinces which are prepared to co-operate constitutes a signal and important statement.

We believe that if the government will bring this legislation before parliament at an early date it will find this house ready to co-operate in order to get the measure through so that we can at last take this important step in social legislation.

Inquiries of the Ministry

PRIVILEGE

MR. GORDON—RULING BY MR. SPEAKER

Mr. Speaker: Before calling orders of the day perhaps I may be allowed to refer briefly to the question of privilege raised by the hon. member for Davenport (Mr. Gordon) last week, at which time I told him I would study his statement and determine whether what he had raised constituted a bona fide question of privilege. My understanding is that his statement was based on a disagreement as to what actually was said by the then minister of finance at a meeting which took place some time ago.

To my mind the fact that someone outside the house places a different interpretation than does the hon. member on what was actually said at the relevant time by the hon. member in his then capacity as minister of finance does not constitute an infringement of the rights and privileges of the hon. gentleman as a member of the house. I must rule, therefore, that there is no prima facie case of privilege.

LABOUR RELATIONS

QUEBEC—STOPPAGE OF WORK BY LONGSHOREMEN

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Labour. In view of the collapse yesterday of the talks in the Montreal dock strike, and because of the great importance of the situation, would the minister advise the house as to his plans to bring about a settlement of the dispute? Will he now take action to sit down with the parties concerned in order to bring about a settlement and, if so, will he hold such meetings in Montreal or here in Ottawa?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the government has been considering this matter very carefully since the unfortunate development late yesterday afternoon. It is our decision to appoint a bilingual mediator, one with broad experience in this field. I am not in a position to announce the name of the mediator, but I hope to be able to do so within a matter of hours.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wish the minister had gone so far as to say whether this mediator would have the power and authority to determine the course that would be followed. If the mediator does not have that power, then the national crisis facing us will not be settled. Has the government given consideration to the appointment of an administrator so the serious situation that has been created will be met instead of dawdling with it?

[Mr. Knowles.]

Mr. Nicholson: With all due respect, I take exception to the suggestion that this matter is being dawdled with. The government appointed a conciliation board at the request of the parties, and the conciliation board's functions have been terminated by the action of one of the parties, not by the government. The usual course provided by law has been followed. As a result of yesterday's action what was an illegal strike yesterday and today may become a legal strike within a matter of days. Until that situation arises the only course that is open to the government is to have the minister, or another person with perhaps better qualifications than a minister, such as the mediator we have in mind, deal with the situation.

Mr. Starr: Whether the strike is legal or illegal, nevertheless it presents a very serious situation so far as our shipping is concerned. Instead of delaying in the appointment of a mediator, will the minister call these parties to Ottawa and have them sit down, as has been the custom in the past, to bring about a quick solution to this serious situation?

Mr. Nicholson: Mr. Speaker, consideration has been given to inviting the parties to come to Ottawa. There has been discussion on this with some representatives of both interests. Our feeling is that more progress will be made—and this is indicated by telegrams and other messages that have come to me from both sides—by the appointment of a mediator. That, it is felt, is the proper course to follow under the circumstances. We want to get a good mediator as quickly as possible and I think we have such a person in mind.

[*Translation*]

[*Later:*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, may I put a supplementary question to the Minister of Labour?

In order to anticipate such disputes and in accordance with the suggestion made by the Montreal Chamber of Commerce, would the government not consider allowing workers or longshoremen to have their say within the National Harbours Board, so that they might express their views?

Mr. Speaker: Order. This question is not exactly supplementary to the previous one, since it deals with general policy. I do not think it is in order at this time.

[*English*]

ADMINISTRATION OF JUSTICE

PROPOSED REMOVAL OF FEMALE PRISONERS FROM KINGSTON PENITENTIARY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Solicitor General, of which I gave notice this morning and to which I understand he is prepared to give an answer. Last week the minister stated that a major policy decision was being considered almost immediately relative to the transfer of narcotic addicts from the women's penitentiary at Kingston to Matsqui in British Columbia. I am informed that this decision now has been reached. I should like to ask whether the minister would inform us of the decision, because this is a most urgent and important matter.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I appreciate the hon. member's active interest in the field of corrections. I am pleased to advise him that a decision now has been taken not to transfer the present inmates to Matsqui unless they so wish.

Some hon. Members: Hear, hear.

[*Translation*]

LABOUR CONDITIONS

QUEBEC—SUMMER WORK FOR STUDENTS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, in the absence of the Minister of Citizenship and Immigration I would put my question to the Minister of Labour.

In view of the numerous applications for employment received from students who are now in holidays, is the minister or his department taking any action to enable students to get jobs during their holidays?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, as acting minister I will take notice of the question and see to it that the suggestion is passed on to my colleague as soon as possible.

Inquiries of the Ministry

BILINGUALISM AND BICULTURALISM

REPORTED HIRING OF U.S. SURVEY COMPANY BY COMMISSION

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, my question is for the Secretary of State. Is the minister aware that the bilingualism and biculturalism commission has hired a United States survey company from Detroit to carry out a survey for the commission in the Windsor area?

Mr. Speaker: Order. I suggest that this question is not so urgent.

Mr. Winkler: Mr. Speaker, with all deference I suggest it is very important.

Mr. Speaker: It may be very important, but I suggest to the hon. member that it should not be asked at this time. It could be placed on the order paper. If in the opinion of the hon. member there is a degree of urgency it might be discussed on the adjournment debate.

[*Later:*]

Mr. Winkler: Mr. Speaker, because of the serious situation that exists in the field to which I have reference, I should like to ask the Secretary of State for External Affairs whether he is aware of what is going on in the Windsor area with regard to the B and B Commission.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there is no one who is more aware of what goes on in Windsor than I.

Mr. Speaker: Order.

EXTERNAL AFFAIRS

MAINLAND CHINA—POSSIBILITY OF RECOGNITION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Prime Minister. Yesterday in reply to a question asked by the Leader of the Opposition concerning the possibility of Canada recognizing red China, the right hon. Prime Minister said he would be in a position to make a statement in this regard today after certain discussions. I am wondering whether the Prime Minister might now be in a position to make that statement.

Inquiries of the Ministry

Right Hon. L. B. Pearson (Prime Minister): I think I said I would be in a better position today to make a statement about the discussion which my hon. friend the Secretary of State for External Affairs and I had with the United States ambassador to the United Nations. One of the subjects we discussed yesterday was the situation regarding China's membership in the United Nations and what may be expected to happen in this regard at the forthcoming meeting of the assembly, in so far as we were in a position to estimate what would happen. We also discussed the Rhodesian question which I understand is coming before the security council today, and other matters which might appear on the agenda of the assembly in September.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the visit of the United Kingdom ambassador, Lord Carradon, together with the expected visit of Mrs. White, Britain's Minister of State for Foreign Affairs, indicates that an early decision is to be made on the question of the recognition of communist China.

Would the Prime Minister say whether the views he expressed in his speech the other day were not generally interpreted as being indicative that communist China is to be recognized? Would the Prime Minister also assure the house that before any step such as this is taken, the membership of this house will have an opportunity to discuss it? Will he also assure us that the present republic of China on Formosa shall not be sacrificed in any way?

Mr. Pearson: Mr. Speaker, the right hon. gentleman has drawn more specific conclusions from my speech than I think are warranted. In so far as the visit of British officials which he mentioned is concerned, the purpose of that visit is not to arrive at any conclusion or definitive result in regard to policy respecting communist China. That may, and I am sure it will, be one of the subjects discussed, but it is not the purpose of the visit. Perhaps I will be in a position to make a report on that discussion after it takes place.

Mr. Diefenbaker: Will the Prime Minister indicate whether the government is giving consideration to recognition, because that was the interpretation given to the speech made in the United States by everyone able to read?

[Mr. Nesbitt.]

Mr. Pearson: Yes, Mr. Speaker, we are giving consideration to this matter, as I am sure the right hon. gentleman did when he was prime minister. I am sure his government gave continual consideration to this important matter. I can only repeat what I have already said. No decision has been made, and there has been no change in government policy on this matter.

I must point out, as indeed I did point out in my statement, that there is one very great difficulty in regard to the admission of communist China to the United Nations, in that there may be a determination on the part of the government in Peking to insist on recognition that it rules over Formosa as well as continental China. Such a determination would present a very real difficulty for representatives in the United Nations.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the Prime Minister arising out of my own reflections on some answers he has been giving in the last few days on the question of the recognition of China, to which reference was made in his recent speech. I would ask the Prime Minister to clarify whether the implications of his recent speech go beyond those in the statement made by a former prime minister, Mr. St. Laurent, a number of years ago in Tokyo, when he said that sooner or later we would have to recognize the kind of government—

Mr. Speaker: Order, please. This is not a question but an argument.

HEALTH AND WELFARE

STEPS TO OVERCOME SHORTAGE OF MEDICAL PERSONNEL

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the important statement he just made relating to medical care, I should like to ask whether the government has formulated specific plans in order to avoid the serious and critical shortage of doctors and medical manpower which will occur.

Hon. A. J. MacEachen (Minister of National Health and Welfare): The answer is yes, Mr. Speaker.

Mr. Grafftey: Without being too specific, will the minister indicate to the house what are those plans?

Mr. MacEachen: Yes, Mr. Speaker. We propose to introduce legislation as early as possible during the session to establish a health resources fund, the object of which will be to provide additional facilities for the training of medical personnel.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a supplementary question. Is consideration being given to an increase in grants for hospital construction?

Mr. MacEachen: Mr. Speaker, consideration was given to this question and an announcement was made last January that we were extending this particular program for an additional two years.

Mr. Winkler: I have another supplementary question, Mr. Speaker. I asked the minister whether consideration was being given to an increase, in view of the fact that this program will create a very acute problem in the hospital field.

HOUSE OF COMMONS

AUTHORSHIP OF LETTER CRITICIZING BROADCASTING COMMITTEE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in order to promote the spirit of fair play and good will among members of all parties, I wish to draw the Prime Minister's attention to a letter which appeared in the May 14 issue of the Ottawa *Citizen* criticizing the conduct of the chairman and members of the parliamentary committee on broadcasting, films and assistance to the arts, signed by one John P. Matheson.

In view of the fact that some members, and other persons in Ottawa, are of the opinion that this letter was written by the Prime Minister's parliamentary secretary, the hon. member for Leeds (Mr. Matheson), would he mind explaining this obvious case of mistaken identity?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am grateful to my hon. friend for giving me notice of this question. I assure him that my parliamentary secretary wrote no such letter nor had anything to do with the writing of the letter which is, indeed, signed by John P. Matheson, not John R. Matheson.

Inquiries of the Ministry

PENITENTIARIES

REQUEST FOR APPOINTMENT OF FEMALE DEPUTY COMMISSIONER

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct a question to the Solicitor General arising out of a brief which, according to press reports, was received by the government today from the Elizabeth Fry Society of Kingston. Will the minister give consideration to the appointment of a female deputy commissioner within the penitentiary system?

Mr. Speaker: Order, please. I suggest that this is not a very urgent question. It might be placed on the order paper.

VETERANS AFFAIRS

INQUIRY AS TO LEGISLATION THIS SESSION

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I should like to direct a question to the Minister of Veterans Affairs. In view of his reply to my question yesterday and my understanding of the terms of reference to the Wood committee, that it is to deal only with the Pension Act and not with the War Veterans' Allowance Act, will he now assure this house that some amendments to the War Veterans' Allowance Act will be placed before us at this session?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, as I answered in reply to this question yesterday, I am awaiting that report not because it has to do with the War Veterans' Allowance Act but because it is not impossible to imagine that the results of the inquiry might influence our thinking with respect to other parts of the veterans charter. This is why I answered in the manner I did yesterday. At the moment there is no intention in that regard, but I did not want to put it that categorically because this report might well influence our judgment as to other acts affecting the veterans charter.

CANADA ASSISTANCE PLAN

INQUIRY AS TO DATE OF IMPLEMENTATION

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Can the minister advise of the government's

plans in respect of the Canada Assistance Plan, considering that the April 1 target has now been missed?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, it is proposed to proceed with the Canada Assistance Plan. The resolution is now on the order paper, and it is expected that the plan will be made retroactive to April 1 this year.

GRAIN

INQUIRY AS TO FINAL DELIVERY QUOTAS

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Finance, who is in charge of the Canadian Wheat Board. Have the government and the Canadian Wheat Board set any figure as to what they hope will be the final quota farmers will be able to deliver before the end of the crop year on July 31? If they have, will the minister try to bring about a working arrangement between the elevators and the railways so that most of this grain can be moved before the last two weeks of July, which has happened in the last two or three years?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I will be very happy to discuss this matter with the Canadian Wheat Board who have, of course, the authority to fix quotas in an effort to promote equity amongst farmers. I know the wheat board are very anxious to achieve as high and as equal a rate as possible. I will discuss the matter with them and see if I can give a report to the house.

AIR CANADA

WINNIPEG—REPORT OF INQUIRY RESPECTING MAINTENANCE BASE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Minister of Transport, in view of the fact that it has been several weeks since he informed the house that he had received a copy of the Thompson report, whether he can tell the house when the report will be tabled.

Hon. J. W. Pickersgill (Minister of Transport): I think the hon. gentleman is mistaken in his assertion that I ever informed the house that I had received a copy of the Thompson report. I said the Privy Council office had received the report and it was being translated and printed. I hope it will be available very soon indeed.

Mr. Orlikow: A supplementary question, Mr. Speaker. Can I take the minister's reply to mean that the story circulating in Winnipeg, that the report will not be published before the Manitoba election, is not true?

Mr. Speaker: Order, please. The question is argumentative and cannot be received.

Mr. Pickersgill: It is speculative.

EXTERNAL AFFAIRS

MAINLAND CHINA—EXPLOSION OF NUCLEAR BOMB

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the fact that the People's Republic of China has just exploded what is described as the dirtiest of all nuclear bombs, is the government of Canada planning to express any strong protest through its various channels of communication to the government of the People's Republic of China?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the way in which to express such a protest is to renew, as we did yesterday, our plea to China that it should join those powers who have committed themselves not to carry out nuclear tests in the pact signed in Moscow in August, 1963.

Mr. Nesbitt: A supplementary question, Mr. Speaker. I did not hear everything the Secretary of State for External Affairs said. Do I understand from his reply that yesterday some communication was sent to the People's Republic of China exhorting that government to participate in the nuclear bomb pact?

Mr. Martin (Essex East): No communication was sent to the Chinese people's republic because at the moment Canada does not recognize that regime. But I did express the strong view that the time had come when China should join the majority of the nations of the world and adhere to the Moscow nuclear test ban.

Mr. Nesbitt: A further supplementary question. Was this view of the minister and the government—and it is a very appropriate view—communicated directly or indirectly in some way to the people's republic, other than the minister's statement?

Mr. Martin (Essex East): No.

Mr. Starr: It was communicated by mental telepathy.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO LEGISLATION ON ELECTRONIC LISTENING DEVICES

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wonder whether I might direct a question to the Solicitor General or the Minister of Justice. In view of published reports indicating a substantial increase in the use of wire-tapping and other such electronic listening devices, has the minister or his government reached any decision on a national law dealing with this important and disturbing subject? If so, can we look forward at this session to a law on wire-tapping and other such listening devices?

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, the subject matter of the hon. member's question has been studied. It is still under consideration, but no decision has as yet been taken on the matter.

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. Will the government consider reintroducing Bill No. C-103 which was before the house in 1964, sponsored by the now Solicitor General?

Mr. Robert Stanbury (York-Scarborough): A supplementary question, Mr. Speaker. Will the government consider studying private members' Bill No. C-33 on today's order paper, dealing with the same subject?

THE SENATE

SUGGESTED APPOINTMENT OF MORE NATIVE INDIANS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the difficulties which have apparently faced our native Indian people in having those of their own race elected to this house, would the Prime Minister follow the commendable lead set by the Leader of the Opposition when he was prime minister and consider appointing more people of Indian heritage to the other place so that in time we will have at least one member from each province?

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

Mr. Simpson: With all due respect, Mr. Speaker, this is a very important question. As far as its urgency is concerned, I might point out that as the house is faced with a vote on a supply motion this evening, this may be the last time the Prime Minister will have a chance to consider it.

Some hon. Members: Oh, oh.

Mr. Pearson: Mr. Speaker, I will be glad—

Mr. Speaker: Order, please. The question is out of order.

SUGGESTED ACTION LEADING TO ABOLITION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. One forward step has been announced today; perhaps we could have another. In view of the fact that Premier Lesage's promise to abolish the upper house in his province is based on a course of action taken by this government, will the government consider taking the same course of action with regard to our Senate, so we can abolish it too?

Some hon. Members: Shame.

Mr. Speaker: Order, please.

Mr. Knowles: Mr. Speaker, perhaps we could abolish the Senate at ten o'clock tonight.

Mr. Diefenbaker: Mr. Speaker, I suggest that most of my hon. friends to the left would be very glad to be in the Senate if they had the opportunity.

Mr. Monteith: We have certainly had proof of that.

DOMINION-PROVINCIAL RELATIONS

QUEBEC—PETITION RESPECTING CHANGE IN PROVINCIAL CONSTITUTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I want to ask the Prime Minister whether he has yet ascertained from the United Kingdom government the course of action to be followed in connection with the ex parte application of the Lesage government for an amendment to the constitution to remove the upper chamber in the province of Quebec.

Inquiries of the Ministry

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think I can say in reply to that question that my inquiries have indicated that there is no likelihood of action being taken on this matter in the United Kingdom parliament in the immediate future.

Mr. Diefenbaker: Do they recognize the unconstitutionality of it?

INDIAN AFFAIRS

MANITOBA—APPEAL OF DECISION RESPECTING HUNTING RIGHTS

On the orders of the day:

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, on May 10 the hon. member for Churchill asked me a question, and in so doing drew to my attention the fact that a judgment of the court of appeal of the province of Manitoba had had the effect of applying the Migratory Birds Convention Act to Indians living in that province.

I want to tell the hon. member that I have found there were two cases to which the act applied the first being the Daniels case. Mr. Daniels has now told us that he would like to appeal, and we have undertaken to finance an appeal against the decision to the Supreme Court of Canada.

TRADE

TORONTO—IMPORTS OF FOREIGN GASOLINE AT DISTRESS PRICES

On the orders of the day:

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, yesterday the hon. member for Greenwood asked what action would be taken in response to the protest made by the representatives of service station operators in Ontario regarding a recent importation of gasoline into Toronto.

The letter of protest to which the hon. member referred had not reached me at the time of his question. I was aware of the shipment, however, and my officials and I have been in touch with the company concerned for some time with a view to ensuring conformity of the company with the national oil policy. I expect to have further discussions with the company in the immediate future to determine whether any special action is required. I do not think I need assure the house that the government stands firmly by the national oil policy.

[Mr. Diefenbaker.]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question which can be accepted by the Minister of Labour, the minister of northern affairs or the Minister of National Health and Welfare. May I ask one of these gentlemen whether the government has taken any appropriate action to alleviate the situation which is developing at Fortress Louisburg.

Mr. Speaker: This question seems to be of a very general nature. It is very difficult for the Chair to determine how urgent it is because it is couched in very general terms.

Mr. MacInnis (Cape Breton South): Mr. Speaker, it appears to be in general terms but I am sure the Minister of Labour or the minister of northern affairs, to whom I have spoken about the situation outside the house, or the Minister of National Health and Welfare, with whom I have attempted to get in touch but have spoken to his executive assistant on the matter, should have an answer to the question.

SUPPLY

The house resumed, from Monday, May 16, consideration of the motion of Mr. Sharp for committee of supply, and the amendment thereto of Mr. Hees.

FINANCE—TIGHT MONEY POLICY—NEGATIVE APPROACH TO PROBLEMS

Mr. J. R. Keays (Gaspé): Mr. Speaker, we are now witnessing a novel situation where the official opposition has brought in an amendment to a supply motion—and the three members on the government side who have so far spoken in the debate have all admitted that there were problems in housing in Canada. I hope tonight these gentlemen will vote for the amendment, they having realized that there is a problem which must be cured in the immediate future.

The amendment moved by the hon. member for Northumberland deals with the tight money policy of the government, how it is affecting the economy of the country and housing in particular. The amendment relates to the existence of this tight money policy and the economic ills which have brought it about. The tight money policy of today has been caused by the financial blunder of the budget brought down by the Ministêr of Finance.

No one speaks today of an inflation psychosis. It is real, and it is with us. As I have said, the financial blunder of the budget is the cause of this inflation. It has been brought about through the indecision of the government in monetary matters and in not using effectively the monetary machinery and techniques available to the government to check the continual decline in the value of the dollar which, if left unchecked, could lead us to the brink of bankruptcy.

I said on a previous occasion that the approach of the Minister of Finance to inflationary problems in this nation today has been negative. It has completely ignored the increase in productivity; has discouraged the expansion of production in this country; has withheld certain projects which could contribute to an expanded production; and has allowed the reduction of our productive capacities across the country. This was the negative approach taken by the government. I believe, Mr. Speaker, everyone will admit that the only possible solution to this inflationary pressure in Canada is to increase productivity.

A growing economy needs a growing supply of money, thus assuring a fairly steady growth curve. A full economy requires the full employment of our human and material resources. This is not the approach taken by those who sit on the treasury benches. They believe in a tight money policy similar to that of 1956, which opened the door to recession and retarded economic growth. Shortage of funds is not the responsibility of the banks, the insurance companies or other lending institutions. Shortage of money is the outcome of the policies of the government of the day.

If the government is sincerely in favour of tight money to fight inflation, then why does it not explain its policy to the people? It hates to face up to or discuss the problem, hiding behind the blame which is placed on the banks and the other financial institutions of this country. This is unfair to the banks and is creating a superficial inflation additional to an already existing and real one.

It is well known that tight money comes about when the Bank of Canada decreases the cash reserves of the banks or holds them constant, when growing demands exist from bank customers for more loans. The end result is that money and credit grows scarcer and inevitably dearer. The long delay in the revision of the Bank Act is the largest single contributor to the fact that today there exists in this country a tight money policy.

• (3:20 p.m.)

Since 1963 we have been speaking about bringing in revisions to the Bank Act. That, to date, has not been done, with the end result that today banks, and other lending institutions do not care over much to place their money in the mortgage field. Those institutions possibly are carrying larger cash reserves than are necessary. I believe the financial institutions want to know what will happen to them after the Bank Act is revised. Passage of this measure will greatly relieve the money supply situation. Only then will people be able to get money for house building and for urban development.

I therefore urge the government to pass this legislation as soon as possible, thereby allowing banks and lending institutions to know the conditions under which they will operate for the next ten years.

The tight money policy is affecting those who today need housing. It is also affecting the small businessmen of our country. They are the ones caught in the squeeze. In most cases they deal with consumers and if the consumers, pressed by inflation and additional living costs, cannot make ends meet, cannot look after their own material welfare, how can they pay their bills? As a result the businessman is caught in the financial squeeze, and because of the tight money policy cannot borrow more money from the lending institutions. As a result he cannot expand, and in some cases has to retrench his position because he is not paid for his products.

I am convinced that by increasing national productivity; by making more goods available and making inventories reasonably sufficient to meet daily requirements is one way of meeting inflationary pressures. However, that is not the only way to cure inflation.

I strongly urge the government to take another look at its fiscal policies, with a view to possibly changing them in order to relieve the country of the inflationary danger which now faces it. An economy to keep growing requires full employment of human and material resources. We are neglecting those whose fate it is the hardest to solve; those now living in pockets of high unemployment and poor productivity.

We must also realize that to combat inflation and the causes of tight money the government should retrench with respect to federal expenditures. I agree with this move which the government has tentatively made. However, I think it should have gone further and retrenched in expenditures on projects which by their nature are unproductive. It should have concentrated on projects in areas of high unemployment, which could have been a contributing factor to increased national productivity. That indirectly would have raised the standards of living of those who still aspire to reach the average national income.

Insurance companies and large lending institutions are in an unsecure position. They have a greater proportion of liquid assets on hand than is necessary. This is because they are awaiting the amendment to the Bank Act.

Yesterday we heard many hon. members speaking about the needs for additional housing in this country. I do not think it would be unrealistic to state that in 1966 we need not 160,000, not 170,000 dwellings, but 190,000 dwellings. Statistics will show that people now coming into the labour force, that estimated 1 million people for whom we shall have to find jobs in the near future, all aspire to having a home. It is regrettable to note that we shall build fewer homes this year than we did last year, when we ought to be building 5 per cent to 10 per cent more. Two billion dollars will be needed for mortgage financing in 1966. I hope this money will be made available, either by direct government lending or by informing lending institutions of how they will be affected by the new Bank Act, thereby possibly bringing about a release of money for the home building industry.

I am not sure whether the government is delaying construction during the summer months in order to allow more building to take place during the winter months when unemployment is higher. I would, however, utter a word of caution. In certain areas of Canada it is practically impossible to build a home in the winter as cheaply as in the summer. Many of those who were promised the $500 bonus for building during the winter months to date cannot obtain their money; not because they have not completed their houses inside; not because the houses are uninhabited, but in five cases that I personally know of because houses could not be completed owing to the rigours of the winter. I hope the minister realizes that finishing bricks, mortar and other exterior parts of houses is difficult when those building the houses face temperatures of 10, 15 or even 20 degrees below zero.

Possibly I should not neglect at this time to thank the Minister of Labour for having opened an office in the lower St. Lawrence region. That will permit prospective home builders to obtain advice and to meet at first hand the employees of the office, thereby facilitating ways and means by which funds can be obtained. I hope that opening the office does not mean that no more money is available for the lower St. Lawrence; I trust there will be funds left over for those in that region who wish to borrow.

• (3:30 p.m.)

One of the dangers of curtailing the housing program is the possible loss of our skilled labour force. The president of the National Housebuilders' Association, Mr. Gelinas, is accusing the government of having pushed house prices beyond the means of many Canadians. He also states that last year the federal government asked the industry to gear itself in readiness to double production. Obviously such planning needs an assurance that mortgage money will be available. Mr. Gelinas is reported in the *Globe and Mail* of April 7 as saying:

> Today the government, in its concern about inflation, has taken a deliberate course to restrict mortgage funds available under the National Housing Act. Our members have already experienced the apparent new policy which has even removed Central Mortgage and Housing Corporation from its normal role as a lender of last resort.

In some areas it appears that the corporation has declined to approve loans for presold houses to home-owner applicants. Mr. Gelinas comments:

> It is our contention that this policy is not halting inflationary trends, but rather is contributing to inflation.

When a man with the authority and experience of Mr. Gelinas speaks on this subject everyone must recognize that there is a danger attached to the restriction of the housing program. I believe that the tight money policy, if unchanged, will lead to economic disaster in those areas of Canada where there is at present a depression or where unemployment figures are high. People living in such areas never seem to reach a fair goal. When times are good across the country we bring in a tight money policy. We say there are inflationary pressures in the economy and proceed to carry out measures of retrenchment.

On the other hand, during a period of recession we tend to bring in policies beneficial to areas which have shared most in the good times and the other people to whom I have referred are left to suffer their fate. I sincerely urge the government to take a second look at those of its policies which have helped to create inflation and to introduce others designed to remove inflation as quickly as possible. They should not allow their present policies to prolong the inflationary pressures now present in our economy and which must be eradicated if we are to bring a fair degree of prosperity to our citizens.

[*Translation*]

Mr. Gérard Loiselle (St. Ann): Mr. Speaker, I was somewhat surprised when I read the motion of censure moved by the hon. member for Northumberland (Mr. Hees) to see that the government is blamed for restricting loans made by the Central Mortgage and Housing Corporation.

People seem to think that the C.M.H.C. is a lending company which must loan money to the contractors who want to expand their industry.

Such is not my opinion because the C.M.H.C. exists only to stimulate the private sector of the building industry. I would like to quote from a booklet published by the C.M.H.C. about some of the responsibilities of that corporation which is not, in my opinion, a lending company:

As a result, the corporation is concerned with all the aspects of housing, of the expansion and development of cities. In addition to looking after mortgage loans, the corporation is concerned with research on housing, city planning and urban renewal, with the creation and expansion of the mortgage market, with the improvement of house plans and building as well as with the construction of houses to meet the needs of some particular groups, such as old people, low-income families and university students.

That is the framework within which I will discuss this afternoon the motion of censure before the house.

People seem shocked because the government is limiting borrowing sources. In a statement made last May 3, the responsible minister said:

—the government is taking, and will continue to take every step necessary to ensure a program of direct mortgage loans by Central Mortgage and Housing at the same level as that of last year when, including the fall program, loans for approximately 31,500 houses were approved—

There is no restriction. The government is undertaking today to continue the same expansion program in the housing field as last year.

The government does not refuse to guarantee loans. It is up to private industry to find lending companies which will enable it to continue its work.

Personally, since I represent a riding in the city of Montreal, I will limit my remarks to urban renewal in connection with the construction of one-family dwellings.

In Montreal now the problem is as follows: a part of the population is leaving to settle in the suburbs. The same thing is happening in most of the large cities, and that is why there are houses to rent. They are vacant because it is impossible to offer the citizens modern and sanitary housing such as they can get in the suburbs.

• (3:40 p.m.)

I have friends of my own who bought houses in the suburbs and, within a year, they were obliged to come back to live in the city of Montreal for the school boards of certain suburbs could not provide the facilities available in the metropolis. Some families must therefore come back to the big city of Montreal, where they have all the required facilities.

I do want to discuss urban renewal, because I live with this problem in the city of Montreal. I have referred to this problem on many occasions in this house, and, in my capacity as a member for 16 years of the Montreal municipal council, I shall continue to advocate urban renewal.

I am very pleased that the Central Mortgage and Housing Corporation Act was amended in 1964, precisely to facilitate these renewal developments.

The problem faced by our municipalities in the province of Quebec is that the provincial government did not always take a hard look at this problem. In all other provinces, the authorities have set up a municipal board, to provide the various municipalities with the facilities to consider the renewal problem. That is what we lacked in the province of Quebec.

The city of Montreal succeeded, in the past, in developing the housing centre known as "Les habitations Jeanne-Mance". The only outlay by the provincial government was a $1 million grant, and had it not been for the good will of the municipal administration at

the time, which concentrated its work toward the improvement of the centre, "Les habitations Jeanne-Mance" would not exist today.

Since then, we have had two large sections expropriated for renewal in Montreal, that is the C.B.C. section and Victoriatown, which were torn down for improvement; but no other area was restored since the construction of "Les habitations Jeanne-Mance" in Montreal.

Even if the situation requires it, no other project is being developed at this time. But a 263-acre project called 'La Petite Bourgogne" will shortly be started, in my constituency. This 263-acre area is going to be a most difficult problem for the city of Montreal, because the province of Quebec organized the General Housing Corporation only a year ago. That body is still surveying the problems and cannot, at this time, assist in any way the municipalities which would call on its services. I hope that the government will shortly take the necessary steps to help it show what it is worth.

The evil of slums is not simply an almost latent sore but a grave illness affecting a large part of the social body of which we are all limbs. Those who have had to live in those slum areas know what it means. Unfortunately, members who live in areas where construction is largely of the detached unit type are not aware of the problems involved in renewal. It would surely be proper if every member were informed of this problem. Before lending money for the construction of single family units, the Central Mortgage and Housing Corporation should—and will—contribute to further promotion of the renewal plan. I understand that the C.M.H.C. can do nothing unless the provincial government helps the municipalities in these areas.

The first responsibility for a building lies of necessity with the owner who must protect his building against wear and tear, make it pleasant and clean and modernize it. The tenant also has some responsibilities: he must co-operate with the owner in the maintenance of the building, or that part of the building he is using, and pay a rental appropriate to the quality of the premises.

Studies of certain housing projects in Montreal have shown that tenants do not apply to their housing the share their income would justify. Thus, the 220 tenants living in the district commonly known as Victoriatown, in Montreal, were devoting an average of 10.8 per cent of their income to lodging while, according to the C.M.H.C. scale of rents, they should have paid twice that amount, and that without considering the cost of services. Those living in the district now occupied by "Les habitations Jeanne Mance" and the C.B.C. were in a quite identical situation.

Moreover, too often the municipal land tax, far from promoting urban redevelopment, brings about a gradual deterioration of buildings; a window made more attractive, a lawn improved, a balcony or a flight of steps repaired, are all improvements increasing the land assessment of the building and, hence, the municipal taxes.

No wonder that the owner does not repair his building which falls to pieces; consequently, the municipality's main source of income dries up instead of increasing.

The role of enterprises, institutions and public bodies must not be merely that of owners or tenants, as I outlined, but also constitute an incentive for governments and small owners, so as to promote conservation, restoration and redevelopment of properties.

If the primary responsibility for urban renewal falls on the taxpayers, the initiative must be taken by the municipality whose responsibility it is to develop a program of urban renewal.

In the field of loans for the purchase of houses, federal legislation led to significant accomplishments in the province of Quebec, but in the fields of public housing, renovation and renewal, we did not get our share.

I am not trying to blame the Central Mortgage and Housing Corporation. If the province of Quebec did not get its share of the amounts at the disposal of the corporation, I ascribe this to the fact that it did not have, within its administration, any commission to maintain contacts between the provincial government and municipalities and the central government. This is being settled. Unfortunately, it has taken too much time; the government of Quebec thought that other problems were more urgent. I have always said that urban renovation in the city of Montreal, just like in other areas of the province of Quebec, is a matter of urgency and must come about. I hope that the Lesage government, which will be re-elected on June 5—

Some hon. Members: Oh, oh.

Mr. Loiselle: —will concentrate on this problem. I am certain that everything I said

is true; the member for Villeneuve (Mr. Caouette) knows that very well but he does not want to admit it.

• (3:50 p.m.)

Two years ago last January the Montreal city council passed a motion of mine to facilitate urban renewal by private enterprise. We know that the Central Mortgage and Housing Corporation Act now provides for payment by the said corporation of up to 50 per cent of expropriation costs upon demolition of a sector. At that time, I had suggested that the city of Montreal should order some sectors torn down, after carrying out a study, with the consent of the Central Mortgage and Housing Corporation, and that, upon completion of land expropriation, this land should be resold to private concerns which would then build houses according to municipal standards and regulations, in order to give the sector a better appearance.

The fact is the Central Mortgage and Housing Corporation Act does not now provide for the cost of renewal by private enterprise and, as a result, all fields are affected.

I have mentioned the city of Montreal, because it is my city. If it decided to expropriate certain sectors, with the agreement of the corporation, and if it could sell the land to private concerns, then the profits derived from such sales could be shared between the Central Mortgage and Housing Corporation and the city of Montreal under a previously signed agreement. The Central Mortgage Act does not yet provide for assistance for installation of water-mains and sewage systems, for street repaving, and tree planting, etc. The act provides benefits which it is incumbent upon us to use. Unfortunately, the province of Quebec did not have in the past any opportunity to take advantage of those benefits. The city of Montreal does what it can, and in fact it adopted a building code about one year ago. By applying this code, we can prevent houses from deteriorating too fast. In some areas, we have 15- or 20-year old buildings that could be called modern slums. The building code the city council adopted will force property owners to restore and keep these buildings in good repair, so that they will not become slums which we would have to expropriate and demolish after a few years. If that building code is adequately enforced, it should accomplish a great deal.

I hope the Central Housing and Mortgage Corporation will study that building code; it will then know what is expected. To prevent thousands of wage-earners from going into debt and tying up their future earnings in order to solve their housing problem, the federal government asked parliament to pass certain amendments to the C.M.H.C. Act during the 1964 session.

In order to remedy this situation, the Central Mortgage and Housing Corporation Act provides for credit and subsidies for the construction of low-cost dwellings. There is also an agreement between the federal and provincial governments on the construction of housing and rental units, where existing, dwellings are restored to house families in the lower income bracket.

But, as you know, when there is expropriation after agreement with the C.M.H.C., the city has to find housing for the small wage-earners. Now, the C.M.H.C. amendment of 1964 stipulated that municipalities or the provincial government could purchase certain existing buildings, renovate them and help the small wage-earners to move into them.

Renovating does not mean merely demolishing and building anew. There are two aspects to the problem: the first is the renovation of unsanitary dwellings; the other is the assistance required by families in the low income bracket.

In this regard, the Montreal city council expects to set up a three-fold system. I have already spoken of the Petite Bourgogne center that the city of Montreal is undertaking this spring and which will cover an area of 263 acres. The city of Montreal, in its eagerness to stimulate urban renewal, has found a formula which is unique in North America, I believe.

First, there is a grant for renewal. I spoke of that amendment in the last speech I made during the last parliament and I want to repeat it. This grant for renewal will help the owner who wants to repair his house according to the standards of the city of Montreal, the latter will be entitled to a certain amount according to the cost of repairs. That will help the owner who does not have the means to restore his dwelling and make it adequate.

Second, a grant for demolition and building. When we speak of housing, it is not only a matter of demolishing, as I said a while ago, for the purpose of rebuilding. In some cases, we must not raze everything to the ground. We can repair, renovate, demolish and rebuild when that must be done. In certain cases where the city would force an owner to tear down his building because it is

not adequate or because it is substandard, the owner, if he accepts to rebuild on the same site according to the standards and regulations of the city of Montreal, will be given a grant of so many dollars by the city.

Those are advantages that, I believe, the General Housing Corporation of Quebec will make its own. I would like to see the Central Mortgage and Housing Corporation include amendments concerning renovation.

Third, the city of Montreal will provide rent grants. This may seem extraordinary at first, but it is quite simple. If, by renovating, the city or a government forces a landlord to demolish and rebuild, it is logical to think that this landlord will not be able to rent the rebuilt or renovated premises for the same price as the old ones which rented for perhaps $30 or $40 a month. A modern, rebuilt apartment cannot be rented under the same conditions. That is why the city of Montreal decided to subsidize rents by giving landlords an additional amount of money fixed by the Rental Office according to the means of the head of each family, his salary, his dependents and the rent he is able to pay.

This is another amendment which would be helpful to all municipal governments wishing to make renovations. I know that all municipal administrations will not find it easy to put this amendment into practice, but I believe it can easily be done with a provincial agreement between all levels of government and the C.M.H.C.

As I said earlier, Montreal now has the "La Petite Bourgogne" project. Many other districts in the city of Montreal should be renovated, but they cannot be without the help of Quebec or the central government.

The problem of urban renewal is not confined to the metropolis. A report published some time ago showed the acuteness of the housing problem in Trois-Rivières; a few months earlier, Quebec and, recently, Westmount found it necessary to undertake some renovation.

In considering the great cost of urban renewal, one should also bear in mind that cost is of no consequence when the health of almost half the population, the development of family life and the freedom of community life are involved.

Now, I spoke of renovation. There must certainly be other ways to remedy the situation, for it must be improved. Suggestions are not always accepted by higher authorities, but they must be made, so that the authorities may see what can be done.

[Mr. Loiselle.]

Three suggestions were made in the magazine *Commerce* published last year. One was that the province of Quebec withdraw from the joint program offered by the national act and pass its own housing act.

It surely has deficiencies, but it also contains many provisions from which the Quebec government might take inspiration. I am not quite sure whether the Quebec government should draw up its own legislation and withdraw from this joint program. It is urgent, however, that it should take prompt action in order to help our municipalities to carry out renewal projects.

But I feel the third suggestion was the best of all. Municipalities should be left to transact business themselves with the C.M.H.C., just as other provincial governments, but part of the cost charged to municipalities should be paid, because their applications would have been approved by the C.M.H.C. This is how the "habitations Jeanne-Mance" in Montreal were built. The government of the day gave full authority to the city of Montreal to transact with the Central Mortgage and Housing Corporation and that is how the only low-rental housing project in the province of Quebec came about. I trust that others will follow in the not too distant future, that other municipalities in the province of Quebec will be able to benefit from the Central Mortgage and Housing Act. But I would also like to see the C.M.H.C. help private enterprise, because in the field of urban renewal, it must be recognized that urban housing cannot be fully made up of low-rental dwellings; modern houses must also be built for citizens who can afford them. But private enterprise and our municipal governments must be allowed to submit such plans to the citizens of Canada. I trust that the Central Mortgage and Housing Corporation, in addition to what it is already giving, will be able in the near future to make amendments so as to promote renewal.

• (4:00 p.m.)

[*English*]

Hon. Hugh John Flemming (Victoria-Carleton): Mr. Speaker, I consider it a great privilege to take part in a debate of this nature on a most interesting and important subject. Because of the very word "money" and its implications and the fact that it contributes to the well-being of so many people, I feel this is a most fascinating subject. It seems to me that at this time a

repetition and careful analysis of the amendment itself might be useful. The amendment states:

> The policies of the government in imposing tight money and denying builders and prospective homeowners needed mortgage funds, constitute a negative approach to the problems facing our economy and are seriously impeding the development of the nation.

That is a serious indictment, and the fact that no one speaking from the government side has attempted to explain or deny that tight money exists or has explained the reseasons for its existence is indicative of the government's failure. It is not my intention to stress the problems of housing. It is rather my intention to emphasize the general desirability of not applying uniform methods to combat the present existing situation. Uniform methods cannot be successfully applied throughout the length and breadth of this country because there is too much diversity of income, diversity of climate, diversity of general economic activity and diversity in many other ways. It is impossible for any government to adopt a uniform policy to deal with a situation which we all agree exists in this country and in the United States. I refer, of course, to the danger of inflation.

The hon. member for Northumberland (Mr. Hees) deserves credit for bringing this matter to the attention of the members of this house by way of his amendment. The events leading up to the present situation should be carefully examined with a view to understanding the actions of the government in dealing with the whole question of inflation or the danger of inflation.

In my view the government has permitted inflationary pressures to build up. Last year the money supply available in this country increased very rapidly. The government is now attempting to correct that situation but it is late in doing so. I am not one of those who suggest it is too late; I just say it is late. It has been the attitude of many speakers supporting the government that the attention of the house and the country generally should be directed to the fact that we have been enjoying a boom period. Certainly that is a correct statement, and it is a source of great satisfaction to each and every one of us that we are still enjoying a boom period.

It seems to me that the existence of a boom should bring about a need for the government to take appropriate action, but that is exactly what this government has not done. This government should have succeeded in balancing the budget during this boom period.

Tight Money Policy

Mr. Nicholson: Mr. Speaker, would the hon. gentleman permit a question?

Mr. Flemming: There is no reason why I should not.

Mr. Nicholson: Does the hon. gentleman not agree that with a budget of some $8 billion the government has virtually balanced it by coming within $43 million of the budget estimate? The hon. gentleman has had experience in this field, so I ask him for his view.

Mr. Flemming: I should like to say that I am actually talking about the situation in 1964 and 1965. The minister was busy with one of his colleagues at the outset of my remarks and perhaps did not hear me say that I intended to deal with events leading up to the present situation.

I am sure hon. members would agree that it is necessary at times to indulge in deficit financing, and I would be the first person to acknowledge the truth of that under certain circumstances. I do not believe that is the case in times of booming economies. In this year of our Lord, 1966, we are faced with a situation which demands drastic action. I do not suggest it is too late to take action at this time and I am not one who is particularly pessimistic about the outcome, but the government must recognize certain basic fundamentals if it is going to deal with the situation. One fundamental that must be recognized by the government is that it cannot deal with every section of this country in the same way.

Last year we experienced a reduction in income tax and an enlargement and extension of the supply of money. However, production did not grow to the same extent as the gross national product. We should have learned from this fact that it is necessary to maintain productivity at about or more than the same level as the gross national product. Surely that is a reasonable statement. But that was not the case last year.

How does one maintain this level? That is a very good question, Mr. Speaker, and I propose to answer it to the extent I am able. I have referred to boom times and the question of deficit financing. In booming times we should balance the budget and indulge in that kind of cyclical financing which brings about a surplus in good times to provide for the proverbial rainy day. It is my observation that this sort of doctrine is not popular in this day and age. Everyone wants men and

women in public life to get up and advocate more and more spending. In my opinion the government should have followed a different course in attempting to balance the budget.

• (4:10 p.m.)

We heard the Minister of Trade and Commerce (Mr. Winters) say in the house a few days ago that there was to be a great upsurge in capital investment this year. This we were glad to hear. But we find there has been no great curtailment in public spending. The hon. member for Gaspé (Mr. Keays) mentioned this in the course of his remarks. It seems to me to be a matter of ordinary common sense that in a period when private enterprise is willing to increase its investment by the almost astronomical figure of 13 or 14 per cent over last year the government should of necessity curtail some of its expenditures, particularly along certain lines. What are those certain lines? I submit, Mr. Speaker, that in the important matter of credit certain steps must be taken. I happen to be one of those who went through the depression of the 1930's and I submit that looking back on those days one realizes that certain situations could have been pretty well cured had a supply of credit been available to business.

Therefore I submit that a sufficient supply of credit is one important way to meet difficult situations. In this day and age when inflation is at least considered I believe credit should be available for certain things. One is the expansion of business. My hon. friend from Northumberland in the course of his remarks said that business should be encouraged to expand. I do not think that every business should be encouraged to expand in times like these when the government—and I give them full marks in this respect—is attempting to deal with a difficult situation. Since I do not believe that every business should expand I think it is proper for me to name those that I think should expand. In this category I place first those businesses which are producing goods for export, because we have a balance of payments problem. I think we should also encourage those industries producing goods which we are importing at the present time. In my opinion these two things go pretty well together.

I think there should also be some selectivity of regions. We in the Atlantic provinces happen to be in one region of Canada where incomes are below the national average. I do not overemphasize this but it is the situation in our part of the country and it is one that Canada as a whole has to deal with. Therefore, Mr. Speaker, I submit for the consideration of the government, and especially for the Minister of Labour (Mr. Nicholson) who is in his seat, that some way should be decided upon whereby the government, faced with the special situation which exists in the Atlantic provinces, will not deal with this situation in the same way as it deals with a region of Canada where there is tremendous overactivity.

I cannot give the house any great words of wisdom in this connection, but I would refer to the so-called castor oil treatment, as it was called, and for the information of the minister I would say that I knew something about the castor oil treatment statement. In 1956 I was in a position of some public responsibility and it came to my attention that people in New Brunswick with raw materials at their disposal, with plant and personnel available and with markets for their finished products, were unable to go ahead because of the tight money policy of the then Liberal government. I was informed that the amount of money in circulation had been reduced substantially by the action of the Bank of Canada. I was told that the reason for this was inflation in the central provinces of Canada. I said, "Perhaps there is inflation in the central provinces of Canada but there is no inflation down here in the Atlantic provinces, so this sort of thing will not do."

At that time I said it would be just as ridiculous to have a uniform policy of credit availability for all ten provinces of Canada regardless of general economic conditions as it would be for a mother of ten children to give them all castor oil regardless of their individual needs. I believe the same principle applies today. Therefore I ask the minister through you, Mr. Speaker, to take this message to his colleagues in an attempt to exert moral suasion over them in order that a special program may be made available for the people of the Atlantic provinces, one of which is the minister's native province.

In this respect we find history repeating itself. Ten years later we have another Liberal government applying the same treatment to a simiar situation. So I say there should be a more liberal—with a small "l"—policy applied to the Atlantic provinces than is applied to the provinces of central and western Canada. In this connection I should like to read from the last Newsletter issued by the Atlantic Provinces Economic Council in which they speak about the question of a

special situation. It seems to me this bears repeating and placing on *Hansard*. The article was published in March, 1966, and says:

> The general conclusion appears to be that in the Atlantic provinces, where the problem is greatest, the program has been less successful than in the rest of Canada during its initial period.

They are talking about the designated area program, but their words apply in general terms to the whole economic situation. The article goes on to say:

> It is designed to meet the general Canadian problem of low income and high unemployment in small areas in an environment of high income and employment. Since the problem in the Atlantic provinces is quite different, there would appear to be no reason to anticipate that this situation will change significantly.

Then they go on to say:

> In a country as large and diverse as Canada it is quite unrealistic to adhere to a rigid formula devised on broad national considerations which fail to recognize regional differences. The concern should not be with the application of a formula but with the social and economic development of a nation. There should be no great obstacles to the introduction of sufficient flexibility to permit the designation of the whole Atlantic region in the interest of its development and of Canada's.

I am not particularly arguing the latter point at the moment; I am making the point that there is this difference and I believe it should be treated as a situation different from that which exists in other parts of Canada to which these remedial measures, in so far as the danger of inflation is concerned, are being applied. I should also like to read from this document marked Exhibit B what was said at the first conference of the Atlantic provinces:

> Through its monetary and fiscal policies the federal government has wide powers to control the level of economic activity in the country as a whole. In the last decade, however, there have been many occasions when policies which were sound for the national economy were not suitable for the economic situation in this region. For example, a policy of high interest rates may be called for to check inflation when the economy, considered as a whole, is fully employed. But the effect of high interest rates on the Atlantic region, when resources are not fully employed, may be most adverse.

• (4:20 p.m.)

That is the message I should like to give through you, Mr. Speaker, to the Minister of Labour, and I am sure he will give it every consideration. I return to the question of selectivity of industry. Under this heading I ask the same question which I asked before and have already answered, namely, what type of industry should be encouraged? The answer is industry which exports and industry which provides goods we now import. We should also pay some attention to the development of natural resources, something in which we in Canada have a natural advantage.

I am connected with a business which exports practically its whole production and always has. I also know similar types of businesses which do this. There are many other businesses of like nature which could expand but they cannot do so without credit. So again this is my basic reason for bringing to the attention of the house the fact that it is not only difficult but is not a good thing to have a fixed, rigid principle in these matters.

I am one who believes in long term loans, and by "long term" I mean 10, 12 or 15 years. There are many businesses which could expand and purchase more machinery. We must acknowledge the fact that today we are living in an age of automation. Machinery is expensive and cannot always be manufactured in Canada. Even the tooling expense is very great. If only ten machines of a certain type are made and a great tooling expense is involved, the cost becomes prohibitive. So these machines sometimes have to be brought in from the United States or some other country.

The point I am making is that to increase productivity we should buy more machinery. If people are able to borrow money over a 10, 12 or 15 year period and make repayments which are constant so they know exactly the cost per month of that machinery and equipment, then it seems to me that this is a policy which should be encouraged by the government or by any government with responsibilities to its people.

It has been said that it is incredible that industry should slow down at a time of good demand for our products in world markets. Would anyone disagree with that proposition? That is what the hon. member for Northumberland said yesterday and I am sure no one would disagree. It is incredible that industry should slow down.

The hon. member also said that sales are being lost because our prices are not competitive. I do not propose to embark upon a dissertation on the question why our products are not competitive. In many respects I think they are competitive. I think our exports are deserving, and I am sure that the minister, with his great experience in business, realizes that generally speaking we are quite competitive. So far as our steelworkers are concerned, I think they are second to none.

I think that very often production or productivity and expansion of industry are curtailed—this is particularly so at the present time—due to the fact that people are unable to get credit and spread their repayments over a period of time. Do not the figures showing the reduction in exports prove my point? If I go back to 1965, our exports increased by a very small percentage, certainly not nearly as much as they should have increased had other methods been adopted.

It has been said that the present existing, strong inflationary pressure is caused by a shortage of goods. This brings me to the question of how we deal with inflation. Do we apply a negative policy of restricting credit or a positive policy of producing more goods? I think these are the questions which the government must answer, and they have chosen to answer them in the negative. The government have chosen to say that it is better to curtail credit. By the policy they are apparently supporting they have chosen to say it is better to reduce the amount of money available for goods than to make money available for production of more goods. That is where the matter stands at the present time, Mr. Speaker.

It has been said that we need financial incentive to increase productivity. I am one of those who believe in this doctrine. I believe that financial incentive to increase productivity is one of the ways in which industry in general and the people connected with industry can stimulate production. This goes right down to the worker himself. People with financial incentive and a production bonus are those whose business today is going full blast; they are the people working overtime. This involves reward for effort made and interest taken, and I submit that the government have the means available to do something along this line.

It has been said that the gross national product was nearly double the increase in exports last year. It has also been said that mortgage money should be provided for the average home, not for the expensive luxury home, not for the apartment house, but for the average home. I am sure we all recognize that what really builds a country are the citizens of the country who own their own homes. These citizens immediately acquire an interest in their homes and they have a stake in their country. They take great pride and care in their homes because they are theirs.

[Mr. Flemming.]

I have no reason to believe that our home-building policy will change. However, I submit to the minister for his consideration that if the choice lies between a big office building or apartment house and 25 or 30 small houses he should decide in favour of the small houses.

Another factor to bear in mind is that homes are very important to the expansion of industry. Expansion of industry calls for increased personnel possessed of technical knowledge and skills. The first thing these people look for in a given locality are homes to live in. I know certain areas where such homes are not available. These people require housing and schools for their children and if they are not available they will decide to go elsewhere.

It has been said—the hon. member for Northumberland made this point too—that insurance companies should invest in small towns in rural areas. I believe that is true, but the experience we have had in trying to persuade large companies to invest in this way has not been encouraging. I submit that especially in the Atlantic provinces such investment should be made.

It has also been said that the government should earmark funds for the particular purpose of providing loans. In this connection I am certain that the Minister of Finance (Mr. Sharp) would tell us that the Industrial Development Bank is available for this purpose. The Industrial Development Bank is available for the purpose, but unfortunately I do not think the Industrial Development Bank is carrying out the function for which it was established. The function for which it was established was to make term loans and provide loans ordinary banks were not able to furnish under their charters. I believe that is the reason for having the Industrial Development Bank. However, today we find that the Industrial Development Bank is not easy to deal with. In fact, it has become a money making machine. Let me say that I am one who believes in profits. Profits make a business go. Profits make good times not bad times. I believe, however, that the Industrial Development Bank should be a little more lenient in its approach than are the chartered banks because it is allowed to be more lenient by the terms of reference that set it up.

• (4:30 p.m.)

I think it might be interesting if I were to read what has been said about the Industrial Development Bank and what it should be

doing. I will do so, Mr. Speaker. I read from the *Newsletter* of March, 1966:

> The bank, when considering an application for a loan, must be satisfied that the proposed project is reasonable and sound, the management efficient, and the plan capable of carrying the additional financial burden.

No one will quarrel with that. I continue:

> The money obtained through the bank may be used to purchase land and buildings, alter or enlarge existing buildings, construct new buildings, or to purchase machinery and equipment.

I think that is true. Unfortunately, it does not work out in practice. I am wondering how much the present tight money policy has to do with the attitude of the people who are administering the affairs of the Industrial Development Bank. The deputy minister of trade and commerce is, I believe a member of the board. If the Minister of Trade and Commerce were here I would ask him to carry a message to his deputy who is a director. Instead, I ask the Minister of Labour to carry my message to the director. It is: Is it not possible to be more lenient especially toward the Atlantic provinces which need the financing?

I continue reading:

> The Bank does not provide funds to finance inventories or receivables, but it may in a few carefully considered circumstances—

That does not make any difference because it is a function of the chartered banks, as the hon. member for Carleton (Mr. Bell) knows.

> —extend a loan to assist working capital requirements. In instances where a business may benefit from a change of ownership, the bank may consider a loan to help finance this necessary transfer.

We hear a lot of talk about United States ownership of our businesses. I am not scared of that. If somebody comes along, invests his money in Canada and is willing to comply with our laws, then he has made a contribution to the general well-being of this country. I am not a bit alarmed about that sort of thing. As a matter of fact, I know of many businesses which would not be in existence today had it not been for the financing they were able to secure in the United States.

I do not for a moment go along with those gentlemen who express fear because some people outside this country have a stake in businesses inside this country. Such people are subject to Canadian laws just as citizens of this country are. Where could we get the money to develop the country, because we have an undeveloped country, if it were not from the United States of America? I have seen figures as to the amount which would be required to purchase the interest now held by people in the United States. They are astronomical and so large that I could hardly quote them. It is beyond our ability to have that much money.

I now return to my subject, from which I digressed. The *Newsletter* continues:

> Although the purposes for which the Bank may allow funds are numerous, primarily IDB is interested in the groundwork financing of a "soundly conceived new business".

I submit that a soundly conceived new business is not very much different from the expansion of an existing business. Both are going to employ more Canadians. Both are going to export and assist in helping with the general balance of payments problem.

In connection with loans I would submit that the Atlantic provinces are fertile ground for loans. As I understand it, 35 applications for loans connected with projects in the Atlantic provinces have been received, compared with 68 from the rest of Canada. On page 2 of the *Newsletter* there is the following:

> This means that there has been about one application to every 12,600 members of the labour force in designated areas in the Atlantic provinces and one to every 8,500 in designated areas in the rest of Canada. These applications represent an investment of $35 million in the Atlantic provinces and of $101.25 million in the rest of Canada.

It should be the reverse. I do not wish to weary the house by reiterating all those things I have tried to point out to the best of my ability. I only want to summarize briefly what I have tried to say. I think the government is making a grave mistake if it tries to have a fixed and uniform credit policy applying to all parts of our great country. Conditions across the country from place to place are so very different that this would be an impractical policy.

I return now to the question before the house, our regret that the government has imposed a tight money policy. I should be interested in hearing the minister's explanation for the imposition of tight money. I should also be interested in knowing what he wishes to do with respect to mortgage funds for home owners.

I have been quite disappointed in some of the speeches which have been made in the last two days. But I repeat that this is one debate at least for which we should not apologize. Nothing could be more important than the discussion of the availability of money in Canada at the present time. Getting

the views of all hon. members on this question is of vital importance to the nation and of interest to the government.

Therefore I say to the government that it will not be successful by having a uniformly inflexible fiscal policy for this country. I feel it should introduce some degree of flexibility with respect to credit, and when I say that I have the Atlantic provinces in mind. I also believe that businesses in general should not all be treated in the same way, that there should be diversity of enterprise, that perhaps one business ought to be encouraged at the moment and another perhaps not encouraged to the same extent.

This is the sort of message I have tried to get across. These are the sorts of things which I think deserve the consideration of the government. I appeal to the government to take some notice of the representations which have been made.

• (4:40 p.m.)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we have before us a very serious amendment concerning the credit restrictions imposed on home builders and home buyers.

During the 1965 election campaign, I warned the people in Quebec and Canadians in general, against the credit restrictions that the government would impose on us once the campaign was over.

Since November 8, 1965, we have seen credit restrictions being imposed in the United States, urging American investors to stop or decrease their investments. In the past few months, the Minister of Finance has been telling us that the various branches of his department have to submit to credit restrictions for a certain time in many fields, and more especially in the home building field.

There is a strong tendency to slow down home building through measures as drastic and extravagant as those advocated by the government at present.

Between 1964 and 1965, there was a marked improvement in the construction field. However, this improvement has failed to meet the constant demand for housing units in our country.

Even though the demand was greater than the financial situation allowed at the time, now in 1966, a slowdown is called for in the construction field.

Mr. Speaker, I entirely disagree with the member for St. Ann (Mr. Loiselle) who said

[Mr. Flemming.]

that the C.M.H.C. has not imposed any credit restriction nor reduced the opportunities for building.

Now I think I am appealing to people who know a little more than the hon. member for St. Ann about housing construction in Canada, especially in the Ottawa-Hull area.

I have here a copy of a letter sent on April 26, 1966, to the right hon. Prime Minister (Mr. Pearson) and to the leaders of the various political parties in the house by Mr. John Hilson, president of the Building and Construction Trades Council of Hull-Ottawa and District. Here is what Mr. Hilson wrote to the Prime Minister of Canada on behalf of local builders:

[*English*]

Dear Sir:

Faced with the most serious unemployment in the construction trades that Ottawa has experienced for many years, I am appealing to you on behalf of the Ottawa Building Trades Council to take whatever steps are possible to substitute a program of planning for employment in place of the present situation in which we are facing planned unemployment.

At the end of March we appealed to the government to reverse its cut-back on its construction program for the Ottawa area. At that time the government had announced a cut-back of one-third of its estimates for construction in the current year for this area. The cut-back for the Ottawa area was one and a half times the total cut-back for the rest of Ontario.

We were greatly concerned at that time by the fact that of a work force of approximately 8,000 persons in the construction industry in the Ottawa area, some 1,700 were out of work representing an unemployment rate of over 20 per cent. With regard to the prospect of a seasonal improvement, we were very much discouraged by the fact that building permits issued had dropped from $25,000,000 for the first quarter of last year to $10,500,000 for the first quarter of this year.

A letter from Hon. G. J. McIlraith made light of our concern and predicted a "general pick-up in the spring". Instead of a pick-up there has been a steady worsening in the employment situation as projects have been completed and no new projects are available to provide further employment for the workers laid off.

The Hon. G. J. McIlraith referred to the excellent employment situation that existed during the past winter and it would appear that his optimism is based on past events rather than assessment of what is happening now and what can be expected in the future.

One of our affiliated unions which handles 90 per cent of the total structural steel erection for this area reports over 30 per cent of its members are unable to obtain employment in the Ottawa area. If the steel is not going up now, there will be further worsening of the employment opportunities for other trades in the immediate future. Other construction unions report high and worsening unemployment. Figures on unemployment among our affiliates run as high as 40 per cent, with workers leaving the area because of the poor prospects.

The letter continues:

Since we made our previous protest, the predicted spring pick-up has failed to materialize and the construction industry is faced with further difficulties as a result of tight money. While we do have occasional conflicts of interest with our employers in the construction industry, we naturally share with them concern as to the future of our industry in this area. We sympathize with them in the difficulties and bankruptcies which are inevitable unless some positive action is taken.

• (4:50 p.m.)

[*Translation*]

Mr. Speaker, it seems to me that those people have the experience necessary to call the government's attention to the harmful effects which result from the application of a restrictive monetary policy.

I am wondering at this stage how it is that a government such as ours, a Minister of Finance such as ours, can find the financial means needed to make interest-free loans to foreign countries and, at the same time, with the utmost seriousness, impose credit restrictions on our own people, on those who are ready and willing to develop our country and their respective provinces.

In addition to that letter from The Building and Construction Trades Council, I have here a letter from the provincial Association of Building Contractors of Quebec, from the town of Mount Royal, to the effect that the president of that association supports the Henry report on housing.

Mr. Fernand Boissé, of Sherbrooke, president of that association says:

The report prepared by Mr. Robert Henry, editor in chief of *Bâtiment*, for the Association of Building Contractors of Montreal, includes all the problems which the housing industry must face in Quebec.

Mr. Speaker, the president of that association of building contractors must certainly know as much about that matter as the hon. member for St. Ann who tells us that there is no restriction.

We know that in all our ridings the C.M.H.C. is subject to restrictions ordered by the government, which hamper the building of houses.

Are they trying to prevent the construction of houses because people are well accommodated in our cities or urban areas? Are they not rather preventing the construction of such houses because there is a shortage of funds, in other words, a shortage of credit?

And when there is a shortage of credit, Mr. Speaker, one never hears a minister blame that monetary policy.

I heard the hon. member for Victoria-Carleton (Mr. Flemming) former premier of New Brunswick, tell us: If we cannot borrow from the United States, what will we do? The United States are there to supply us with the funds needed to keep up our construction or development.

Mr. Speaker, the ministers, the government, even each federal member should consider this very important question: How is it that the United States are able to loan money to every country in the world and, at the same time, not borrow from any of them? No one is asking himself that question. Where is the money that the United States can supply to the whole world coming from? Loans to Viet Nam, loans to Russia, loans to Canada, loans to any country in the world. And the United States never borrow a nickel or penny from any country whatsoever. Who is making the credit of the United States?

Does credit grow on trees in the United States more than in Canada?

I stress that point, Mr. Speaker. When we have here, in Canada, the necessary brains, good will, materials and physical possibilities to build houses so as to lodge our people adequately, why do we have, to ask the United States permission to build housing units or develop our natural resources?

Why do we not put our financial system in order, instead of always suggesting to the people to tighten their belt, and putting our builders on the brink of bankruptcy with tight money policies? Why do we always have to ask permission from the United States? Who makes credit in the United States? Where do they get the credit or the money they need to lend billions of dollars to Canada?

Were the United States concerned about knowing whether there was not enough money to develop Ungava, in Quebec? Were the United States short of credit to buy the oil production of Alberta and the western provinces? No indeed. The United States monetary problem is settled on the spot. Why? Because the magnates, those in control, live there, and they are the ones who give orders to countries like ours.

And people talk about parliament's supreme authority, Canada's sovereignty, Canada's independence.

In the field of housing, Mr. Speaker, do we need the United States' permission to build small houses? Do we need the United States' permission to clear away the slums in the

city of Montreal, for instance? And we know how many slums there are, not only in the city of Montreal, but in every city. We see slums in all cities, all towns and villages, in the country all over Canada. Are we short of materials, as I said a moment ago, to replace these slums by sound houses? No. We have everything except credit. And because we do not have credit, the building of houses is restricted. That is why this tight money policy is inadmissible.

That is why, Mr. Speaker, I consider well-advised the amendment moved yesterday by the opposition to the effect that the policies of the government, in imposing tight money and denying builders and prospective home owners needed mortgage funds, constitute a negative approach to the problems facing our economy and are seriously impeding the development of the nation. It is admitted that these tight money policies seriously impede the development of our country.

I go on quoting the letter of the Quebec province Association of Building Contractors.

Mr. Boissé says:

It will be recalled that during the recent construction strike in Montreal, a brief had been prepared and released to the press as well as to the highest provincial and federal authorities. The brief, entitled "Survey of the residential industry and the causes threatening its immediate disappearance" contains a full statement, based on statistics, of the causes of deterioration of an industry essential to the public: housing.

• (5:00 p.m.)

Mr. Fernand Boissé, who has long been striving to secure for the housing industry the right to negotiate labour agreements with the unions, adds: The day is past when the builders kept mum, leaving the industry at the mercy of the government's lack of interest. Everyone, the ministers first of all, must now realize once and for all that the housing industry is not an economic endeavour like the others and that vague slum clearance projects will not solve the No. 1 problem of Quebec families: to own their homes and to be adequately housed at reasonable prices. Slum clearance is not enough, says Mr. Boissé, but new ones must be prevented from developing. Only through direct association between private industry—that is the builders—and the General Housing Corporation can the government adequately solve problems that are not only administrative, but also technical and human problems.

The Henry Report, adds Mr. Boissé, perfectly represents the position of our industry: On the brink. It also indicates that the builders are not alone on the brink: any threat to the housing industry involves the people's right to own their homes and to be adequately housed.

Mr. Fernand Boissé adds: "We have asked again and again that a builders union be authorized under which would permit to select of builders, clean up the market, progress and serve the public better. The provincial government has only to append its signature. But it is essential for the public. Our request is sensible: electricians, plumbers, real estate operators all have unions. Why is the builder, who hires such plumbers and electricians and has the responsibility for those houses and apartments, why should he not be entitled to a union?

This is obviously under provincial jurisdiction.

Home builders and the public, adds Mr. Boissé, will no longer be satisfied with promises, still less with silence.

The provincial Association of Building Contractors of Quebec comprises nine local associations covering the whole province, namely Montreal, Quebec, Sherbrooke, Hull, Bois-Francs, Saguenay, Lake St. John, Joliette, Drummondville, Thetford Mines and almost all residential housing.

Here is a testimonial to the fact that credit restrictions are unacceptable in a country where everything remains to be done, in a country where tens of thousands of homes are lacking to house our people properly. And contractors from the Ottawa area, Mineault Desnoyers Construction, write to us along the same lines:

Mr. Desnoyers says:

The home building industry in the Hull area is deeply hurt by the credit restrictions of the Central Mortgage and Housing Corporation and the lending companies.

A member of the government has just said that C.M.H.C. does not impose any restrictions. It is obvious that the housing construction industry is now in utter chaos. In his letter, Mr. Desnoyers continues:

The majority of the housing projects in the area are financed by C.M.H.C. Because of the small number of loan companies that grant direct loans in our region, the C.M.H.C. remains the main source of mortgage loans.

When the buyer of a house asks the C.M.H.C. to finance him, the Minister of Finance (Mr. Sharp) tells him to go to private enterprise, insurance companies, those that lend money outside C.M.H.C. Why then was it created? Why was it instituted? To serve the people or to annoy them?

Yesterday, my colleague for Lapointe (Mr. Grégoire) said, and rightly so, that the present government drains individual and company earnings into the purchase of government bonds, and the government endeavours to finance individuals and private companies. It is not up to the government to do that. Its duty is to see that the public in general is treated fairly and reasonably. C.M.H.C. was created precisely to facilitate the removal of slums in Canada and the

building of dwellings to house our Canadian families. And Mr. Desnoyers pursues:

> These measures put us, the builders, in a desperate situation where huge amounts have already been committed through the purchase of land or other agreements.
>
> This causes losses and considerable increase in the cost of operations. The housing construction market will be flooded with requests for mortgage loans and applicants will be refused the required funds. We maintain that the present restrictions are inflationary and that they benefit profiteers who give conventional loans at usurious and prohibitive rates of interest.
>
> To conclude, we protest energetically against that policy which we consider to be discriminatory to one particular industry which gives employment to thousands of workers.

In this case, Hull is concerned in particular, but we know the problem exists everywhere.

In my own area, I have asked time and time again the C.M.H.C. to open an office in Rouyn-Noranda. Those two cities have a total population of 35,000 inhabitants. It is an area inhabited by more than 150,000 people and the C.M.H.C. does not give us any answer. The government does not take a stand.

According to reports made on television, Abitibi would be an underdeveloped area where there are slums. There are no more than in the city of Montreal. But the problem is not solved. We need the help of the C.M.H.C. We do not want the corporation to own those houses, but we want it to help private enterprise make possible adequate and low cost housing, for our Canadian families.

And Mr. Desnoyers says in his letter:

> In closing, we strongly protest against this policy we think unfair for a particular sector of industry that provides employment for thousands of workers. In view of those facts, we demand that measures be taken immediately to free the direct loan market and that private companies be forced to put up the required funds for loans guaranteed by C.M.H.C. We support any other measure that will contribute to rectify this systematic freezing of funds to the detriment of our industry and our people. Remedial action is needed immediately and any delay can only make the situation increasingly serious.
>
> Desnoyers Construction Ltée.
>
> And it is signed: Charles Desnoyers, President.

I cautioned the Canadian people against credit restrictions in November 1965. Now, those people did not believe in credit restrictions. As a matter of fact, the government loudly stated that credit would never be restricted. They even said then, as Jean Lesage now claims, that I was a witch-hunter. The sorcerers and the witches are in the government now, and it is true that we are going to hunt away as much as we can, because we cannot admit credit restrictions in a country where everything remains to be done, where everything has to be built.

We have a Canadian people that is capable, determined to develop what has to be developed in this country and credit restrictions laid down by the federal government are going to slow down the progress of business in Canada.

• (5:10 p.m.)

The government should be the first to object to that restrictive policy which is preposterous. And yet the same government is so open-handed with the funds it gives to foreigners. Was there any discussion at all on the grant of $1,625,000 to Jamaica for the construction of a sewer system, for the construction of a bridge, for the construction of a highway in the region? That 60-year loan to Jamaica was interest-free.

The government quite readily makes interest-free loans to foreigners, but it makes interest-bearing loans through C.M.H.C. to house Canadians. Then the government says it is impossible to do otherwise and that, in these times, we must tighten our belts and accept sacrifice. Have the Canadian people not made enough sacrifices in the past to serve the magnates of finance and the Canadian and American bankers who control the economic blood of the nation? Open-handedness or liberalities for foreigners; restrictions for Canadians.

Mr. Speaker, I wish to repeat that I see no objection to our assisting underdeveloped countries such as Jamaica, Tobago or Commonwealth countries located in the Caribbean. I agree that we should help them, but let us at least help our own citizens. How can we help others, if we are not able to help our own people?

All slums are not done away with. What happens now, with the restrictions on credit? We create poverty. The government gives the restrictions its blessing and, instead of fighting poverty, it now fights the poor.

It is nobody's secret that when we go through lower Montreal, we can meet people earning less than $2,400 per annum, workers who live in slums, and I would even say, in dog houses. Mr. Speaker, we allow people to live in such houses. Canadian mothers, fathers and children presently live in dreadful conditions in the very city of Montreal, the

metropolis of Canada, the second French-speaking city in the world. Slum areas still exist, not only in Montreal but in Toronto.

I was in Brockville yesterday and I saw slums there. They are everywhere, in spite of our having the means and the power to make them disappear and provide adequate housing for our people; but credit restrictions are allowed, ostensibly to fight inflation while actually the contrary is true.

Credit restrictions will raise interest rates. When interest rates rise of course houses cost more. The government runs true to form after levying the 11 per cent sales tax on building materials. On the one hand, the government generously grants a $500 bonus for winter-built houses then it turns around and slaps a sales tax on building materials which raises by $1,000 the cost of a $13,000 to $14,000 house.

The government thinks it is generous to the Canadian people. Why always crush those who are building up the country? Are we here to crush the Canadian people or to serve them? We are here to serve the people; let us then serve them instead of kotowing to the big financial interests. Then perhaps we will have found an acceptable solution.

The other day, I heard the hon. member for Montmagny-L'Islet (Mr. Berger) repeat his charges whereby we, the créditistes, are always concerned with one and the same thing: money. What about the government? It is always concerned with the same thing. What is credit restriction? Instead of issuing money when the economy is buoyant, when Canadian production can reach a new high the money is restricted to punish the Canadian people. Well, the Canadian people, the population of the province of Quebec, will not put up very long with this policy of restriction.

Mr. Speaker, we have had our fill of these far-fetched solutions which always mean that finance must be protected and that the Canadian people must foot the bill. I think that the classes of Canadian society have suffered enough in the past from this belt-tightening policy, which allows poverty to exist in the midst of plenty.

Mr. Speaker, I conclude my remarks by saying that what Canada needs at present is a policy of credit expansion according to our possibilities. And I repeat now that the point is not at all to issue money or credit without any consideration, but to develop the country, build houses and develop our natural resources according to our physical possibilities and our capacity.

In a few days, we will consider the estimates of the Department of Trade and Commerce. The minister knows the facts because he is aware of our great possibilities, not only in the province of Quebec but all over Canada.

We should consider these physical possibilities and adjust our financial system accordingly. I am convinced that we would then serve the best interests of the Canadian nation as a whole.

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I must confess that when I listened yesterday to the remarks of the hon. member for Northumberland (Mr. Hees) which preceded his amendment I felt somewhat like the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) in that I found great difficulty in deciding just where the hon. member was heading. His remarks were interesting, but I wondered about their direction.

Yesterday there happened to be an observer in the house—not a member I might add—who supplied the answer to my question about the hon. member's remarks. This morning he was thoughtful enough to draw my attention to an address that was prepared and delivered by the hon. member for Northumberland in Lindsay, Ontario, on May 13 to the Ontario Municipal Association. I myself address municipal organizations on occasion because I find they provide a good forum for political speeches. Rather, it was because of the fact that the hon. member's speech was a political speech delivered to a political association that I found myself in the same difficulty as the hon. member for Nanaimo-Cowichan-The Islands, because the unconnected political speech preceded the motion.

If you compare that speech with the speech delivered by the hon. member in the house yesterday, you will find that the last five and a half pages are much the same as the last four columns of the hon. member's remarks as they appear in *Hansard* for yesterday. There was one difference. The hon. member was speaking in generalities. He spoke about tight money in generalities, he spoke about immigration, high-rise apartments, luxury suites and other things in generalities, but he never did mention any facts or figures to support these general statements.

The hon. member did make some statements about immigration. In that lies the one difference. He said employment had been increasing steadily for the past five years in Canada and that we should have opened the doors to more immigrants. I agree entirely that we need more immigrants and that we should open our doors and welcome them. I am proud to say that I played some part in doing just that, opening and holding open the doors. The figures on immigration for the last nine years will reflect what I have said.

In the year 1958, the first full year in which the official opposition was in power, the total number of immigrants admitted to Canada was 124,851. In 1959 that number dropped to 106,928. In 1960 it dropped still further to 104,111. In 1961 the figure dropped to 71,689. In 1962 the figure was slightly higher but still only 74,586. In 1963, the first year in which this government took office and we were in office for only two-thirds of that year, immigration jumped from 74,000 in 1962 to 93,151 in 1963, to 112,606 in 1964 and to 146,758 in the year in which I happened to be the minister. That is more than double what it was for the last two years when the hon. member for Northumberland was a member of the former government.

I am happy to say that the indications are that as a result of the change in immigration policy which has taken place over the last two years there will be a still higher figure, with an additional 20,000 to 30,000 immigrants coming into Canada in 1966, many of them with skills and others with strong backs and aptitudes which will make them desirable citizens of this country.

I said I found it difficult to follow the remarks of the hon. member, but I also felt that his remarks on immigration should not go unchallenged. In the light of the remarks not only of the proposer of the motion but in light of the tenor of the remarks of other speakers during the course of the last day and a half, it might be appropriate and perhaps helpful at this time if I spoke briefly about some of the facets of our housing situation.

Most of the speakers have been prone to ignore and forget the real facts of this troublesome period in our housing history. It is my sincere hope that a frank expression of a few thoughts on a matter of such national economic and social significance may assist us to have a better over-all view of the picture. It is, of course, no secret that all of us in this house have been the recipients of, I would say, a massive aggregate number of telegrams, letters and other communications from organizations and individuals. The hon. member for Villeneuve (Mr. Caouette) has just read two or three of them. We have received this correspondence during recent weeks. The main purpose of all this correspondence is to ensure that the cabinet and other members of parliament are fully cognizant of the difficulties being encountered in obtaining adequate mortgage financing for the year 1966 in respect of residential construction.

• (5:20 p.m.)

It is quite likely that this correspondence accounts largely for the motion we are now debating. But another purpose of the correspondence is undoubtedly to prod the government into finding a solution for this problem, trying to put it on the shoulders of the government. I am very sorry that the hon. member for Northumberland and the hon. member for Victoria-Carleton (Mr. Flemming) are not here because they have both come forward as friends of free enterprise. In fact, we heard the hon. member for Victoria-Carleton bragging about it this afternoon. There is no reason why he should apologize for being a great believer in free enterprise; I happen to be one myself. But I ask hon. members to keep in mind constantly that what has happened has been brought about by the free action of the private lending institutions in this country and is a direct result of the great prosperity, the boom in which we now find ourselves.

On this point I should like to make two or three very brief comments. I am prompted to do so by some of the remarks the hon. member for Villeneuve made just a few moments ago. He referred to letters that had been sent and had been unanswered. I should like to assure the house that I have probably received more letters on the subject of housing than any other member of the house, and there is not a single letter on housing that has come into my office up to 48 hours ago that has not been answered and answered promptly.

Some hon. Members: Hear, hear.

Mr. Nicholson: The suggestion that Central Mortgage and Housing Corporation or the government are trying to refrain from or are afraid of answering questions is just not in accordance with the facts, and my files show it. In this connection, it might be well if I read a letter to which I sent to the president

of the National House Builders Association, Mr. Gelinas, whose name has been mentioned more than once in the debate this afternoon. Mr. Gelinas is a friend of mine. I thanked him for his telegram of May 9 and went on to say:

> In my recent statement in the House of Commons I stated that the government would continue to take every step necessary to ensure a program of direct mortgage loans by Central Mortgage and Housing Corporation at the same level as that of last year when, including the fall program, loans for approximately 31,500 units were approved. I would hope that this announcement will assure the builders that there will be no contraction in the corporation's direct lending program this year.
>
> The corporation will again make loans available for the autumn and winter building period, and expects to begin accepting applications for this aspect of the program in August.

I will have something to say on the significance of that date later. My letter continues:

> The assurance that funds will be available to the same extent as last year will also enable the corporation to meet the most urgent needs arising in the early summer, particularly in the resource development areas and certain other areas where the rapid expansion of industry has caused special problems.

Here again I would pause to draw this to the attention of the hon. member for Victoria-Carleton and others who spoke on this subject and commented on the need and importance of making provision in these special areas. The letter continues:

> I know you are aware that the direct lending program of Central Mortgage and Housing Corporation cannot meet all of the demands arising from a buoyant market, and builders may not be able to obtain all the direct loans they desire. Nevertheless the corporation will do everything possible to meet the most urgent housing needs with the funds available.

The government has recognized for the past several months that Canada was approaching a period of restricted mortgage financing for new house construction. Indeed, as far back as the summer of 1965 we were aware of what might happen, as was everybody else who knew the facts, including the members of the National House Builders Association. Bulletins were sent out by Central Mortgage and Housing Corporation drawing their attention to the situation, drawing their attention to what might normally happen in the last three months of last year and the first three or six months of this year. I would point out in this connection that while the housing figures are rather interesting there has not been the catastrophic state of affairs that some people would have you believe and as many of the messages which have been sent to members of this house would indicate.

In 1958 we had a good year in housebuilding; 146,686 houses were completed. But by 1961 that number had dropped to 115,608. In 1962 it was slightly higher, 126,682. In 1963 it was 128,191, and in 1964 the figure had jumped to roughly 151,000 houses, a record year. The year 1965 was another record year, 153,037 houses having been completed. Hon. members were led to believe that we were going to fall woefully short of what was done last year and I immediately rose to challenge that, because a simple statement of the facts will show how false it is.

In the biggest year we ever had in housing in this country we completed 153,037 homes. That was last year. In January of this year, due to the accent that had been placed on winter home building and to the switch in financial arrangements, we had 120,000 houses actually under construction, and Central Mortgage and Housing Corporation provided in the first month of this year funds for another 15,000 houses. This makes a total of 135,000 already as against 153,000 in the best year we ever had.

In addition, realizing that because of the play of economics and of supply and demand the private, traditional lenders were making funds available for the building of office buildings and for industry and that for other people interested in mortgage money these funds were not being made available, the government announced, so that housebuilders could plan intelligently, that we would make funds available for direct lending for another 16,500 houses. So you have a total of 151,500 houses in 1965 without any more money from the private lenders, and do hon. members think for one moment that with the principles enunciated in the budget there is not in the next few weeks going to be some additional private money made available for housebuilding?

• (5:30 p.m.)

I mentioned in my remarks on the budget that firms which are building pulp and paper mills and other great industrial plants in the country realize that substantial savings will be made due to the fact that no sales tax will be payable on machinery and equipment in 1968 and that a substantial reduction will be made in 1967. I am glad the hon. member for Victoria-Carleton has returned to the house because I want to say that I agree with his

remarks that we should not in this day and age curtail investment in industries which are expanding to take care not only of our export needs but our essential needs at home, but particularly our needs in the export field. The hon. member stressed the desirability of balancing our payments with other nations. I agree with him.

I should like to point out, however, to the hon. gentleman that he, having served with distinction as Canada's first minister of forestry, will be very conscious of the fact that in 1963 a survey was made of world requirements for forest products. We know that by 1975 there will be an increased demand over 1963 of approximately 50 per cent. We also know—figures are available in the library and in the Department of Forestry to show this—that this great pent-up demand will not manifest itself at the present time but will appear in about 1973 and 1974. Therefore, why should we build industrial plants now which can be built in 1968, 1969 and 1970 in good time to take care of this demand? It is really a question of priorities. As soon as this is realized by industry and the financial people I am sure we will find there is more money available for housing and other developments in the country.

Another interesting suggestion made by the hon. member for Northumberland, whose motion we are now considering, is this. He said—and this was a most extraordinary statement coming from the lips of a man who sat on the treasury benches for several years—that attention should be given to changing the interest rate. I should like to quote his words as reported at page 5175 of yesterday's *Hansard*:

> One of the main difficulties is that the federal government has not been able to keep insurance and trust companies interested in lending on a low interest . . . basis—

I am omitting a few words.

> This was partly due to the government increasing the interest rate. When the rate rose above 6 per cent the banks, of course, were eliminated from N.H.A. financing.

A law student or any person with any knowledge of the Bank Act, Mr. Speaker, knows that banks cannot lend money on mortgages for housing purposes regardless of the interest rate. Perhaps this situation should be corrected and in time it may be, but you cannot get money from banks at 6 per cent interest simply by directing a change in the interest rate or by reducing it to 6 per cent because banks are barred entry into the field of first or second mortgages on real estate or anything of that nature.

It might also be well to recall that mortgage money was in plentiful supply in the first half of 1965, as it was during all of 1964. This resulted in the unusually high activity in house-building to which I have referred. In 1964 it was high; in 1965 housebuilding was up 8.3 per cent over 1964. However, after July 1, 1965, funds from traditional lenders became increasingly scarce; yet in spite of that we had a record housebuilding year. It was in this atmosphere, an atmosphere which I say had already cast its shadow in July, 1965, that the government undertook on January 7 of this year, and undertook only after very exhaustive examination, to increase the national housing maximum rate from 6¼ to 6¾ per cent.

As a direct result of this, Mr. Speaker, I am sure not ten members of the house realize that national mortgage lending by approved lenders during the first two and a half months of this year was higher than it was in the same months in 1965 and 1964. I have already indicated that we will come to within about 10 or 15 per cent of last year's record level, perhaps even closer to that level.

However, having said that I believe in the free enterprise system, and many of those who have taken part in this debate having said the same thing, I am sure we will all agree that we cannot legitimately criticize approved lenders, whether they be life insurance companies, trust companies or any other lending institution, for lending their money to sources from which they get the best rate of return. That is only normal business and it is something which is governed by the law of supply and demand.

It is now apparent that the increase in long-term bond interest rates has offset the stimulus given loans for housing purposes in the first two and a half months of this year. I am sure that when the effect of the budget becomes apparent the pendulum will begin to swing in the opposite direction. I am not sufficient of a prophet, nor have I a crystal ball, to say how far the swing will go but it seems inevitable that a swing will begin in this direction.

While I have said more than once that the federal government would make available for direct lending no less amount of money that it made available last year to ensure the construction of another 31,500 units during the calendar year 1966, or possibly I should say housing starts during the latter part of

the year, I think we must recognize that for an indefinite period the conventional lenders are going to make an election which it is open to them to make in a country such as ours, namely, whether to invest in office buildings, apartment blocks, private homes or in industry, as they see fit.

I think that the reason for the decreased participation in lending for housing purposes on the part of conventional lenders during the last two or three months is understandable to anyone who really believes in the free enterprise system. Particularly in a burgeoning economy we cannot always spread our bread with butter on both sides. In other words, we must always consider priorities. Where one demand is more urgent than another, that is the one to which we are most likely to respond.

What I say now may not apply to all of my hon. friends in the house. We are not all businessmen. Some of them have different political beliefs and ideologies from mine, and, of course, I respect them. But those of us who have had a business background, and I think that all reasonably well informed members of the house, should not lose sight of the fact that when financial institutions lend money it is their job, as the hon. member for Victoria-Carleton pointed out, to make a reasonable profit for themselves. If these institutions can get an extra half of 1 per cent or three quarters of 1 per cent out of one sound investment as against another, then that is their privilege; and when that happens no one should criticize.

• (5:40 p.m.)

When you have houses being built within a small margin of the number built during the record year you can hardly expect the government, if it believes in the free enterprise system, to bail out housebuilders or anyone else at a time when for the first time in 13 years they are beginning to feel a little pressure during the spring and summer months of the year. Instead of coming to the government for help I suggest that they do a little soul searching or a little fiend searching, that they go to the financial institutions in their own ridings, of which there are many in this country, including insurance companies, mortgage companies and others and try their luck there.

Instead of directing their appeals to the 264 hon. members of this house, why should not the builders, the National Housebuilders Association, the chambers of commerce, the labour organizations and the agricultural and other organizations direct them to the private lending institutions, pointing out to them that it is good business not to switch completely from one line of investment at this particular time but to put money into mortgages. A little effort like that, I am inclined to think, would bring about results.

The government, in its policy announced regarding the provision of direct lending in the same amount as last year, is dealing with a situation that cannot be ignored. As has been stated more than once by the Minister of Finance (Mr. Sharp) and by others, the keynote of the budget is moderation. We want to extend, to spread out our prosperity.

Reference was made by the hon. member for Villeneuve to shortages of houses in the Ottawa-Hull area. I respectfully submit to each and every hon. member that you can see some vacant houses and vacant apartments in this area every day of the week. In fact, Ottawa is overbuilt as regards houses. There is greater need for housing in communities such as Prince George, Gold River and Vancouver island than here. There is a greater need for houses around the borders of the city of London and in southwestern Ontario where the automotive complex is situated, than in some of the larger urban areas of this country. All the government is saying is: "Let us spread it out".

There is no doubt that when the billion dollar expansion programs we are now engaged in are completed there will be plenty of housing. However, there may be some inconvenience to some people during the next year or so.

I would ask hon. members to bear in mind what has happened in other countries which have become industrialized. We have become more heavily industrialized in Canada in the last 23 years than in the preceding 100 years. When one looks at countries such as Sweden, Germany, France and Russia, which have been putting emphasis on and stressing the importance of new production facilities of the kind that the hon. member for Victoria-Carleton mentioned today, it will be seen that they all emphasize completing the plants that are going to create jobs and then building houses as quickly as possible thereafter. That is what we are trying to do at this time.

I think our housing policy today reflects that thinking. In the budget, Mr. Speaker, there was no element of panic, no lack of confidence, no suggestion of a diminishing faith in this country. Our examination of the

facts has led us to quite a different conclusion which is that we are in every way sound and strong and a great nation. However, there is a limited amount of skilled labour available; there are limited amounts of certain building materials; there is a limited amount of money in the hands of private lenders.

May I just quote some figures. When we built a record number of 153,000-odd houses last year in this country, how many do hon. members think were actually financed by the government? The figure is 31,500 with direct loans, similar to this year's announced figure, and roughly another 24,000 by way of guaranteed loans. But 100,000 houses in Canada were built with moneys provided without government money or guarantees of any kind, with moneys provided by the conventional lenders of this country.

Is anyone sufficiently childish to suggest, because for the first time there is pressure during the spring and summer months of the year to build more houses at once, that the government should step in? The builders quite naturally would like to keep building at the same level they have achieved during the last three years. They would like to continue doing that each year. To enable them to do that the private lending institutions would have to lend, as they did last year, $1,500 million.Were the government to step into the field, in addition to the approximately $450 million it has made available, it would have to provide another $1,500 million. Frankly, that would not make sense to me. Nor would that sort of thing make sense in the other countries to which I have referred which are placing primary importance on the need for industrialization, particularly where they have raw materials that can be converted to secondary and tertiary products, and placing lesser importance on other things.

I would not want anyone to create the slightest impression that housing is not considered by the government to be of the utmost importance. It has a high level of priority. It is because it has such a high level of priority that the government has taken the actions it has. I submit that in recent years we have clearly demonstrated our attitude. One only needs to look at the record of the last three years or so to see that.

In addition to the types of housing I have referred to, the 150,000-odd houses that were built last year and the 140,000 or possibly the 150,000 that we expect will be built this year, other types of housing are very important. In these fields there has been and is no curtailment. Instead, there has been every encouragement by the government.

Only this afternoon while sitting in the house I signed submissions that should bring into being hundreds of units of public housing in the province of Ontario alone. In 1965, 4,000 housing units were authorized compared with only 600 in 1964. It is true that most of this activity was in the province of Ontario, and I must give them credit for doing so much. What was done was done with public money, 90 per cent of which was supplied by the federal government through Central Mortgage and Housing Corporation.

I also want to make it perfectly clear that in addition to the funds for the direct financing of 31,500 loans and in addition to the guarantees there will be no diminution in funds for public housing. As a result we not only have public housing being built in Ontario on this very encouraging scale but also in other parts of Canada. Apart from the greatly expanded volume of public housing, an extensive program of low-rental housing for the elderly and for families with restricted incomes is now also being carried out —there is no restriction in that field—with N.H.A. assistance to private and publicly sponsored limited-dividend and non-profit corporations. Loans of this type amounted to more than $14 million in 1965, with a substantially higher amount being indicated for 1966. These projects will increase the number of housing units that will be made available to people with low incomes, to senior citizens and to others in this country.

We cannot have everything at once, Mr. Speaker. At this point in our national development it is not likely that we can have everything at once. The important thing in the field of housing is to do the right thing so that we take care of what one might term the important or urgent needs.

• (5:50 p.m.)

Admittedly in the field of housing there still exists a buoyant demand. We would not want it otherwise. We shall have an opportunity to take care of any demand that we have not supplied this year during next year or the year after next. Having said this, however, I would be derelict if I were to suggest there were no immediate or serious housing problems in Canada. I see in the house today members from constituencies to

which these remarks apply. I refer for instance to housing in southwestern Ontario, to places in Labrador and Quebec, to parts of Manitoba, Alberta, Saskatchewan and many sections of British Columbia following the huge industrial development there.

There are other needs in the housing field, for example, housing for Indians. Only a few weeks ago my colleague the Minister of Northern Affairs and National Resources (Mr. Laing) announced a housing program of vital significance to every decent-minded person in this country. I happen to know something about it because I participated in some of this work. I visited 20 of the Indian communities last summer. I saw the housing conditions in which they live. I noted the absence of electrification, which is an almost indispensable part of housing today. The northerly parts of Alberta, Saskatchewan, Manitoba and British Columbia are regions where normally the days are short and the nights are long. An Indian child may get home from school at 4.30. How can he read a book if his home is not properly lit?

This is a type of housing that I happen to consider as being of great importance, more important in my opinion than some of the high-rise luxury apartments referred to by the hon. member who moved the motion we are considering. The government is not ignoring this need; in fact, $112 million is being put into this kind of housing and improvements.

All things taken into consideration, the government has no apologies to make about the adequacy of the moneys it is making available for housing. If time permitted I should like to deal with some of the points which have been raised by hon. members, but I believe the time allotted to me has almost expired. I agree with the hon. member for Victoria-Carleton that no uniform inflexible money policy is advisable. I hope hon. members will have gathered from what I have already said that we are not following an inflexible policy. Even in our present program priorities are being adhered to and applied in the case of low income citizens, Indians and others with special needs.

Perhaps I might conclude this statement by reiterating an observation I made in this house on April 27 when I referred to the housing situation and said:

> The situation is serious, but I am happy to say, as a result of studies I personally have made in conjunction with senior officials of Central Mortgage and Housing Corporation, that while it is more serious in a few areas than in most others, it is not as serious as one would be led to believe by the telegrams and messages coming to members of this house.

I trust hon. members will agree with that comment after the short analysis I have been able to give this afternoon. We are being subjected to pressure by people who have certain interests. They are not to be blamed for trying to foster their interests. But we must be strong enough to resist this pressure and go along in accordance with priorities which we believe are in the best interests of this country.

The government and its advisers keep a close watch on the housing situation and other factors where credit is involved, and because of this and because of the facts I have stated in the house this afternoon I urge all members to vote against the motion put forward by the hon. member for Northumberland.

Mr. Hales: Would the minister permit a question? He has given us some reasons why private lenders have moved out of the market recently. Does he not think another reason might be that they are waiting for the government to announce its policy as far as the Bank Act is concerned?

Mr. Nicholson: I hardly think that would be a fair assumption because, as I have said already, the banks are not in this field now. If the banks were to come in it could only be as a result of an amendment to the Bank Act. I cannot say whether there is to be any such amendment. There is no doubt about it, however, the conventional lenders to which I referred are institutions other than banks. They should be encouraged by those organizations I have indicated, boards of trade and so on, to get out and do their part in the present situation. They have found housebuilders to be good risks in the past and I hope they will be persuaded that it is sensible to continue this policy in the future.

Mr. Starr: I have another question for the minister. In view of the fact that private lenders are out of the market in the home-building field, does the minister not feel there is an obligation on the part of the government to see that those people who wish to have their own homes are not deprived of an opportunity to do so? Does he not feel the government is under an obligation to step into this field and fill the gap?

Mr. Nicholson: I am glad the hon. gentleman asked that question. If hon. members will analyse the figures I quoted they will see that last year we built 153,000 houses. Of these, 100,000 were financed by traditional lenders. There were 120,000 houses under construction in January of this year, so the conventional lenders have not abandoned this field. They have made substantial loans already, but they made them earlier because of the winter housing program and it is reasonable to suppose they will be active again later this year. May I call it six o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: Order, please. I should bring to the attention of the house that the following questions are to be considered this evening pursuant to provisional standing order 39A: The hon. member for Skeena (Mr. Howard), Grain—Prince Rupert, B.C.—increase in elevator capacity; the hon. member for Winnipeg North Centre (Mr. Knowles), The Senate—suggested action leading to abolition.

Pursuant to special order I do now leave the chair, it being six o'clock.

Mr. More: On a point of order, did I not understand that the minister's time had expired?

Mr. Deputy Speaker: Maybe the time for raising a point of order is not now but I would point out that the minister has unlimited time.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

FINANCE—TIGHT MONEY POLICY—NEGATIVE APPROACH TO PROBLEMS

The house resumed consideration of the motion of Mr. Sharp for committee of supply, and the amendment thereto of Mr. Hees.

Mr. Speaker: Order. I understand the hon. member for Winnipeg North Centre (Mr. Knowles) wants to raise a point of order.

Mr. Stanley Knowles (Winnipeg North Centre): Yes, Mr. Speaker. My point of order relates to the fact that there may have been some slight misunderstanding, but at any rate there are two or three hon. members who yet wish to speak, and I wonder if the house would give consent to postponing the taking of the vote until nine o'clock so that two or three short speeches might be made.

Some hon. Members: Oh, oh.

Mr. Speaker: I gather from the reactions of hon. members that there would not be unanimous agreement to the proposal advanced by the hon. member for Winnipeg North Centre.

Mr. K. H. More (Regina City): Mr. Speaker, first of all I want to say that I think the hon. member for Danforth (Mr. Scott) might well have caught your eye first, and I want to place on record the courtesy he has extended me in allowing me to make my few remarks. No doubt, the Minister of Labour (Mr. Nicholson) is occupied with other duties, but I want to put on record the situation in my own constituency regarding housing. The last report available for the month of April indicates that single unit housing starts in Regina totalled 47 as compared with 104 last year. The situation in regard to mortgage money is such that although a local survey indicated an absolute minimum need of 1,200 housing units this year, it is not expected that more than 800 will actually be constructed.

This is a critical situation and I want to place it before the minister. I do not think he intended to indicate in his remarks that the people who have made representations to hon. members of this house have made false representations. Perhaps they have overemphasized part of the situation, but I think the figures I have quoted indicate that there is a serious situation in the industry.

I am one who believes that government intervention in the private sector should be limited when the private sector is able to look after itself, but when pressures on the private sector are such that there are needs it cannot fill, then I believe government intervention is warranted.

Although there was a high level in housing construction last year, in fact a record level as the minister said, the pressures for more housing in certain categories, over and above subsidized housing and housing for the aged, are greater now than they were last year. Therefore a cutback in the program at this time does not lend itself to achieving the aims of what government policy should be.

It is to be regretted that the government has taken the position it has at this time. The situation I have pointed out in Regina is similar to the pressures and needs found in the northern area, in the city of Saskatoon and its adjacent areas. Industrial development, particularly potash mining, in that area is creating a greater need for housing units.

The suggestion that contractors should turn to other lenders for funds is rather facetious because we know funds have dried up. At the present time there are just not sufficient funds available, and what funds are available are being lent at such high interest rates that they do not provide the moderate type of housing that is required, for instance, houses in the $13,000 to $16,000 category. One of the mistakes the government made in its policy was to raise to $18,000 the maximum value of a house under N.H.A. legislation. The minister suggests that sufficient money will be provided to equal the 31,000 housing starts made last year, but I suggest that more money will be needed. Because of the higher price of houses the government's policy will be affected.

We have a so-called war on poverty, but the results of the government's policy will be to put pressure on people who are outside the range of that war. I do not think this is good. I do not want to take up a lot of time, Mr. Speaker, since there are only a few minutes left before the taking of the vote. I have put the situation in Regina on record. The minister has had representations on it. I know the people concerned feel the situation is so critical that they are going to make representations to the minister through other sources, and these representations will reach him in a different manner. I am quite willing to let him judge what they are, as I am not going to tell him now.

Another matter I want to bring to hon. members' attention has to do with the fairness of governmental decisions, and in this I am not critical of the minister because I do not think the final decision has yet been made. I have no quarrel with the extension made in connection with homes in flooded areas of Manitoba, where work had to stop due to floods. But the fact that a strike took place in Regina and continued beyond the deadline that houses had to be completed was just as devastating as the floods. In Regina at present there are some 25 units that are affected, and unless the government decides that the strike was responsible, payment in respect of these houses will not be made. I believe the government should extend the period for completion of the houses, now that the strike is over. That is only reasonable and fair.

There was absolutely nothing that could be done to complete these homes while the strike was in progress. We all recognize that labour has a right to strike in order to satisfy its own demands, and in a case like this the government should give recognition to the situation. I believe representations have been made to the government about these houses and I ask the minister to give sympathetic consideration to those representations so that the situation may be corrected.

Mr. Reid Scott (Danforth): Mr. Speaker, I was very glad to yield the floor to the hon. member for Regina City (Mr. More), and I sort of wished he would talk the clock out because in five minutes there is very little comprehensive analysis that one can make of the minister's speech. However, that will keep until his estimates are before the house, at which time we can go into it more fully.

If there is anything evident from the minister's speech this afternoon, it is what we have been saying for many months in this house, namely that there is no housing policy here in Ottawa, no national, comprehensive housing policy at all. It is sort of like a yo-yo policy: It goes up and down. It is like a tap one turns on: When he wants to increase employment and help expansion, he throws a lot of mortgage money on the market and hopes something good will come of it.

The minister took a lot of time this afternoon to heap mountains of self-congratulatory praise upon himself, and pointed out what a wonderful job the government was doing because it was going to fall only 15 per cent below the housing target. I suggest that some time between now and the time when his estimates come before the house, the minister take a pretty serious look at the National Housing Act because N.H.A. should more accurately be called the national hoaxing act.

When it was brought into effect, I believe in 1945, it was a genuine workingman's act. Houses were selling for $6,000 at that time. Mortgages were issued for $4,800 and carried for $30 a month. Today the houses built under it are selling for $23,000, with average mortgages of $18,000 against them, hopelessly beyond the reach of the ordinary person in this country. The statistics indicate that the

minimum salary to qualify for N.H.A. housing at present is $6,500 a year.

• (8:10 p.m.)

Mr. Speaker, the latest statistics show there are 7,637,000 Canadians whose income is less than the minimum necessary to qualify under the National Housing Act. What kind of housing act is that? I would have liked very much to go into the minister's analysis of the mortgage shortage and point out the basic inconsistencies in his position. He urged on us the virtues of the private enterprise system and ignored the fact that the artificial pegging of the interest rate by this government has created this situation. It is all very well to tell the builders to go and talk to the mortgage companies and tell them they should be good citizens and lend them the money under the N.H.A., and at the same time tell them they are in a free enterprise economy where the insurance companies cannot be blamed for putting their money where they realize the maximum return on it. But there is inconsistency in the whole approach the minister is taking. We should sit down in this house and take a look at the housing picture in Canada; perhaps we can do it when we have the minister's estimates before us. It is a national disgrace that from coast to coast there is no national program or development.

Our senior citizens are living under disgraceful conditions. Every member in this house has made a speech about the deplorable way we treat our senior citizens. Our great cities are rotting at the core. If I had time, I could go into the small potatoes of what has resulted from the 1964 act. I am not blaming the minister for this. He is new to the business and he is fighting the provincial and municipal governments. We can work in Ottawa for the next ten years and never really have a national housing policy, unless we do two or three things. We must have a full time minister. This is no criticism of the Minister of Labour, but he cannot do two jobs and sell a massive housing program like that. Second, we must have a new department of urban development where we could have a minister who would be able to devote his whole time and energy in an effort to co-ordinate the provinces and the municipalities in this scheme. We need some sort of conscience so that we can establish a common goal in respect of housing. I wish the minister had had a royal commission on urbanization, because then we would have had some sort of blueprint as to where we would like to take Canada. As it is, we have nothing.

Mr. Speaker: Order, please. It being 8.15 p.m., pursuant to section 4 (d) of standing order 56, it is my duty to interrupt the proceedings and put forthwith the question on any amendment before the house.

The house divided on the amendment (Mr. Hees) which was negatived on the following division:

• (8:20 p.m.)

YEAS

Messrs:

Aiken
Alkenbrack
Allard
Baldwin
Ballard
Barnett
Beaulieu
Bell (Carleton)
Bell (Saint John-Albert)
Bigg
Bower
Brand
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Chatterton
Churchill
Clancy
Code
Diefenbaker
Dinsdale
Dionne
Douglas
Enns
Fairweather
Fane
Flemming
Forbes
Forrestall
Fulton
Gauthier
Gilbert
Godin
Grégoire
Grills
Gundlock
Hales
Hamilton
Harkness
Hees
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Jorgenson
Keays
Kennedy
Kindt
Knowles
Korchinski
Lambert
Langlois (Mégantic)
Laprise
Latulippe
Loney
MacEwan
MacInnis (Cape Breton South)
MacLean (Queens)
Macquarrie
MacRae
McCleave
McCutcheon
McIntosh
McKinley
McQuaid
Madill
Mandziuk
Mather
Mongrain
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
Orlikow
Ormiston
Pascoe
Peters
Prittie
Pugh
Rapp
Régimbal
Ricard
Rynard
Saltsman
Schreyer
Scott (Danforth)
Scott (Victoria (Ont.))
Sherman
Simard
Simpson
Smallwood
Southam
Starr
Stefanson
Thomas (Middlesex West)
Wadds (Mrs.)
Watson (Assiniboia)
Webb
Winch
Winkler
Woolliams—111.

Division

NAYS

Messrs:

Addison	Laverdière
Andras	Leblanc (Laurier)
Asselin (Richmond-Wolfe)	LeBlanc (Rimouski)
Badanai	Leboe
Basford	Lefebvre
Batten	Legault
Béchard	Lessard
Benson	Lind
Berger	Loiselle
Blouin	Macaluso
Brown	Macdonald (Rosedale)
Byrne	MacEachen
Cadieux (Terrebonne)	Mackasey
Cameron (High Park)	McIlraith
Cantin	McLean (Charlotte)
Cardin	McWilliam
Caron	Marchand
Carter	Martin (Essex East)
Choquette	Matheson
Chrétien	Matte
Clermont	Munro
Comtois	Neveu
Côté (Longueuil)	Nicholson
Cowan	Nixon
Crossman	O'Keefe
Davis	Olson
Deachman	Orange
Drury	Otto
Dubé	Pearson
Duquet	Pelletier
Émard	Pennell
Éthier	Pepin
Faulkner	Pickersgill
Favreau	Pilon
Forest	Prud'homme
Foy	Racine
Gendron	Richard
Gordon	Rideout (Mrs.)
Goyer	Rinfret
Granger	Robichaud
Gray	Rochon
Groos	Rock
Guay	Roxburgh
Habel	Ryan
Haidasz	Sharp
Harley	Stafford
Hellyer	Stanbury
Honey	Stewart
Hopkins	Tardif
Hymmen	Teillet
Isabelle	Thomas (Maisonneuve-Rosemont)
Johnston	Tolmie
Klein	Tucker
Lachance	Wahn
Laflamme	Walker
Laing	Watson (Châteauguay-Huntingdon-Laprairie)
LaMarsh (Miss)	Whelan
Lamontagne	Yanakis—118.
Langlois (Chicoutimi)	
Laniel	

• (8:40 p.m.)

Mr. Speaker: I declare the amendment lost.

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

[Mr. Speaker.]

Mr. Howard: Mr. Speaker, the hon. member for Matapédia-Matane (Mr. Tremblay) and I were paired.

LABOUR CONDITIONS—HALIFAX DOCKYARD—FAILURE TO EFFECT WAGE PARITY

Mr. J. M. Forrestall (Halifax): Mr. Speaker, in the opportunity provided following the vote for members to raise particular grievances, I wonder whether I might indulge the house for a few minutes to turn to what is developing into one of the most serious labour situations in our country. I refer, Mr. Speaker, to two situations; the first concerns defence employees at H.M.C. Dockyard and its related facilities in Halifax, and the second concerns employees at H.M.C.S. *Shearwater*, where there are now what are commonly known as Canadian force bases.

• (8:50 p.m.)

I do not propose to detain the house in tracing the history of the formula on which the prevailing wage rate concept is based. That goes back to the late 1920's and the early 1930's. However, as other hon. members from Halifax have indicated, in the mid 1960's the basing formula for wage rates established in the 1930's is somewhat out of date.

It appears, Mr. Speaker, that legislation affecting collective bargaining will be brought before the house in the months that lie ahead. Perhaps in that legislation will be found the answers to many of the problems that I raise. However, the essence of the grievance that I raise tonight is that I do not think the government has a clear understanding of the urgency that faces not only our part of the country, but the entire nation in this regard. The employees of H.M.C. Dockyard in Halifax are adamant in their position. They strongly feel that they are entitled to a new basing formula recognizing the principle of equal pay for equal work.

I am not one of those, Mr. Speaker, who would cry danger where no danger exists. I do suggest that unless the government pays immediate attention to the problems at the dockyard, problems that affect on an over-all basis in Halifax approximately 5,000 men, those men are going to walk off their jobs. If that were to happen we shall find that our navy, army and air force based in the Nova Scotia area will be unable to function, and their operations will come to a grinding halt. Anybody who in the past has said that we do not have effective armed forces will be vindicated in that statement by the end of June

or early July unless immediate attention is paid to what these men feel are legitimate demands.

Of immediate concern for the Halifax dock workers are such matters as wage parity with their west coast equals. There are substantial differences in pay schedules between workers in the Department of National Defence dockyards on the west coast at Esquimalt and those at Halifax.

As we struggle in the Atlantic area to close the economic gap existing between ourselves and the rest of Canada, the federal authority must play its full role in helping us to achieve our goal. We cannot talk about equality of opportunity, and equal sharing in our national prosperity unless we are all prepared to do something actively and positively toward that goal. Otherwise we are paying lip service to that concept.

The concept of wage parity—to use a well worn but familiar phrase—is not new. That concept was the concern not only of this government, but of its predecessor. The government in 1961, led by the right hon. gentleman from Prince Albert (Mr. Diefenbaker) decided, in the case of the Department of National Defence employees in the Halifax area, that the formula governing their wages should be changed from the traditional formula governing prevailing rates. That government, as an alternative vehicle, chose a formula based on the average schedules of pay in the seven most highly paid dockyards on the Atlantic coast, including the St. Lawrence river yards. This was tantamount to a recognition by a federal authority of a national basis upon which to calculate the pay of prevailing rates for hourly paid employees.

However, when this new formula I speak of was adopted, it was generally agreed that what had been done was only an interim step. That step was designed to enable the government to arrive at a truly national formula of pay based on the averages paid in shipyards from coast to coast and on both coasts. As I say, that was an interim step. However, the government of that day had recognized the worthiness of the plea by the dockyard workers with respect to equal pay for equal work. Subsequent events have not brought about the full extension of this previous program. They have not brought about a national basis for wage rates of dockyard employees.

These employees of the federal authority remain the only group of employees who do not enjoy national parity with respect to wages. I do not know of any other branch of service, be it the armed forces, the civil service, or any other establishment, where that condition prevails. All employees of the government except these dockyard workers, to whom our country must turn and upon whom we must keep our instruments of defence viable and actionable, enjoy national wage parity.

It is 1966 now, Mr. Speaker. It has been five years since an interim step was taken by the federal authority. Nothing further has been done. We have had lots of promises. Everybody agrees that the basing formula must be looked at with a view to changing it. So far however, nothing has been done.

Last autumn the Trades and Labour Council at H.M.C. Dockyard in Halifax presented to the government a brief in which it outlined a five year program to achieve wage parity for dockyard workers from coast to coast. This program was an orderly, well thought out and responsible map of action on their part. It showed that the program could not be carried out without consideration being taken of the effect that it would have on community businesses, doing the same repairing and overhauling as H.M.C. Dockyard, in the Halifax area. The members of the Trades and Labour Council were well aware that wages paid at the dockyard affect wages paid in similar areas of concern in the private sector of business.

May I say for the record that the formula the council proposed—it presented it to the government last fall—would have provided an opportunity for review by both the government and local interests of matter pertaining to wage parity respecting various trades within the dockyard. In no way did this brief recommend anything of an insurmountable nature. Indeed, the program set out called for the achievement of wage parity in this matter: in the first year, there would be paid 25 per cent of the difference in the schedules of wages between the west coast and east coast; in the second year, 33 per cent of the remaining difference would be paid; in the third year 50 per cent; in the fourth year, 70 per cent, and in the fifth year 100 per cent of the remaining difference would be paid.

• (9:00 p.m.)

To say the government simply shelved the proposal and hid behind the excuse of waiting until the collective bargaining bill became an act might be oversimplification; it might,

in one sense be not entirely correct. But this does not in any way lessen the seriousness of this presentation by the employees at the dockyard and the other national defence facilities in the Dartmouth-Halifax area.

The failure of the government to act on this question of wages has brought about a situation among these highly skilled technicians—instrument makers, machinists, boilermakers—which might have been avoided. These are people skilled at trades which are vital to keeping our navy at sea and, in these days of integration, to keeping our army on wheels and our air force mobile.

In the last 12 years, in order to get a highly trained group of men into the dockyard, an apprenticeship training scheme has put 244 young men through a full course of instruction. Of these 244 people, 121 have gone elsewhere in the country to find employment simply because they found they could get more money outside the dockyard. Not all these people have left the Halifax area. They can get more money with a dozen different national companies which have established businesses in our area. This is an indication of what is happening as a result of the inability of the government to act.

I do not suggest the government must completely satisfy these men at the dockyard. They are reasonable men. They are labour men. They know there is give and take. But remember, it has cost the taxpayers of Canada more than $18,000 to train each of the apprentices I mentioned and it goes without saying that the men at the dockyard would much prefer to have had that money in their pockets than to see it go into the United States, or the west coast, or Ontario or anywhere in the private sector.

A dockyard in the eyes of many people is simply an excellent training ground for machinists, boilermakers and skilled men of all kinds. This is not why the dockyard was established. Bearing in mind the urgent necessity for wage adjustments at the dockyard before the implementation of legislation affecting collective bargaining I would ask the Associate Minister of National Defence (Mr. Cadieux) and those on the treasury benches seriously to consider a thorough review of the question of wage parity at the dockyard. I suggest the government give serious consideration to the brief submitted to them last year. These men want an answer. They do not want to be put off. They want an answer with regard to wage parity.

[Mr. Forrestall.]

If the government would do this and supply the trades and labour council at the dockyard, as well as the motor transport section at Canadian Force Base Shearwater with a reasonable answer, a major step might be taken to avert what could be a most serious situation. These men have now gathered about them substantial outside support within the trades and labour council including many unions with national and international affiliations.

Each day these people are getting, union by union, more and more substantial support and confirmed intention of support through letters and other documents. I am not standing here to make a noise or to create any alarm which does not exist. I have followed the situation at the dockyard as far as it concerns this question of wages for some ten years, in spite of the fact that I am a very junior member for Halifax, and I suggest to the government that the position has never been as serious as it is at this moment.

There is a second matter on which I wish to speak. I will deal with it briefly before resuming my seat. My purpose is to outline the difficulties being experienced by the motor transport section at Canadian Force Base Shearwater. Here again the government is well aware of the difficulties faced by its employees. Not only is there disparity over the whole field of equal pay for equal work, but we also have within the region men doing exactly the same job as their counterparts two and a half miles away while being paid substantially less.

• (9:10 p.m.)

Although the personnel at *Shearwater* find themselves in an identical environment, faced with similar tax rates, tax structure, merchandise costs, rental costs and construction costs as their counterparts at Dockyard in the naval armament depot, the naval magazine and other supporting facilities at the army centre, they receive an across-the-board 20 cents an hour less for their labour.

We live in an age when in our thought processes we must not overlook the dignity, value and worth of the individual. Unless we do this we are not ordained for any reasonable, Christian or otherwise, future.

I should like for a few moments to quote from certain sections of the brief prepared by the motor transport section of H.M.C.S. *Shearwater* on this matter. I should like first of all to put it on the record, and second, to establish in the minds of all hon. members

the urgency for over-all consideration of the national defence employees and their plight, and the additional plight being faced by a certain group within the general complex in the Halifax area.

I quote from the brief as follows:

> We would like to bring to your attention the discrimination of some of the employees in the Halifax-Dartmouth area. We are speaking of the personnel of M.T. section (H.M.C.S. *Shearwater*).

I notice they have not yet learned to call it the Canadian forces base.

> We would like to point out the different rates of pay in this area of personnel who have the same employer (Department of National Defence). On checking with the rate scale in this area, we find the rates are as follows:

H.M.C. Dockyard		H.M.C.S. *Shearwater*	
Driver	$2.05	Driver	$1.85

These are hourly rates in the integrated motor pool, and if these men walk out, anybody who drives a government vehicle is not going to be able to go to work in the morning. In this one category the difference is 75 cents an hour. A heavy equipment driver at Dockyard gets $2.25 an hour, and at H.M.C.S. *Shearwater* $2.05, 20 cents an hour less for this whole schedule of employees. Naval magazine rates are the same as Dockyard. The naval armament rates are the same as Dockyard, and also the Shannon Park rates. But *Shearwater* is a naval establishment. We fly airplanes from there. Although it is a naval establishment it has been classified as something less than a ship's service centre, and so the employees get 20 cents an hour less.

I would now like to give a few figures from outside the area with respect to drivers. E.M.I. Cossor pays $2.25 an hour, Imperial Oil $462 per month for a 40 hour week, which works out as $2.89 per hour, Volvo $2.05, Fairey Aviation starts at $2, and Texaco starts new men at $2 an hour.

With reference to the question of disparity of wages there is one other little group to which I should like to refer, namely employees of the marine agency of the Department of Transport in my area. They find themselves in exactly the same boat as the hourly paid employees of the Department of National Defence.

Why is it in 1966, when the government pays great lip service to the principle of equal opportunity, saying that everybody must share in the national prosperity, that these people do not obtain equality? With full awareness of what is going on at Dockyard and the impact that this will have on our economic structure in the private sector, I simply ask the government, is it fair, is it right and is it just to continue in 1966 to avail itself of a principle and policy evolved in the late 1920's and early 1930's?

It was an effective and responsible principle through the 1930's, 1940's and perhaps through the early 1950's, but if the government wishes to say we are enjoying unprecedented prosperity, let us recognize that fact by giving consideration to the prevailing rate men at Dockyard. If the government does not give them the consideration that they deserve then, as I said at the outset of my remarks, we are going to have totally immobile Canadian forces in the Halifax area on July 1.

Mr. Deputy Speaker: Order. May I ask the hon. member for Vancouver East (Mr. Winch) if the remarks which he is about to make concern the same grievance as voiced by the hon. member for Halifax (Mr. Forrestall)?

Mr. Harold E. Winch (Vancouver East): Yes, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Vancouver East.

Mr. Winch: I am very glad that the junior hon. member for Halifax (Mr. Forrestall) has raised this particular matter this evening. I certainly do not think he should apologize—

Mr. Forrestall: If I might interrupt for just a moment, it is incumbent upon me to refer to myself as the very junior member for Halifax, but it is not incumbent upon the hon. member for Vancouver East (Mr. Winch).

Mr. Winch: Well, Mr. Speaker, I most certainly will refer to the hon. member as the hon. member for Halifax, but you know I am a good listener and when he referred to the junior member, the very, very junior member, I thought I was being very, very nice when I said the junior member, and not the very, very junior member.

Mr. Forrestall: Thank you very much.

Mr. Winch: However, Mr. Speaker, I am very happy that the junior member for Halifax has raised this particular matter at this time. As I started to say, he most certainly should not and need not apologize if he appears to be making a loud noise on this particular grievance. A loud noise and emphatic statement are required on this grievance because it is just as serious as he

pointed out. It is serious not only at the dockyard at Halifax but also at the dockyard at Esquimalt in B.C., where the identical situation pertains.

Year after year in this parliament the identical problem that the hon. member has spoken of has been raised, not only when the present government was in office but when the Conservative government was in office, and the only answer we received was that the matter was under consideration, and was being studied, and that something was going to be done. I know we raised this issue twice in the preceding session and that was the answer we got.

• (9:20 p.m.)

I want to add my voice to that of the hon. member for Halifax (Mr. Forrestall) to say that the employees at the dockyard of Esquimalt feel exactly the same way as the employees at the dockyard at Halifax. They no longer are going to be satisfied with an answer to the effect that something is going to be done or that the matter is under consideration. It also is my information that if something is not done inside of 30 days, action will be taken by the men themselves and it will be an action which will be very detrimental to the maintenance and operation of our armed forces. I never have been able to understand the thinking of the government or the departments as indicated by the way they handle their wage rate policies in the dockyards of this nation. As a matter of fact their policy seems to vary from department to department, and indeed within a department itself.

In the dockyards we have a black situation. Let us take the case of the electrician. In the dockyards at Esquimalt and Halifax there are two types of electricians employed; you have the inside wire men who do the construction and maintenance work, and you have the inside wire men who do the ship work. An inside wire man who works on a ship is paid at a lower rate than an inside wire man who does the construction and maintenance work on the dockyard itself.

However, under what was supposed to have been the policy, the payment should be on the basis of what is termed the prevailing rate, and the prevailing rate is the trade union rate in that locality outside the dockyard. What happens at Halifax and Esquimalt? Here we have maintenance electricians on the land and the ship electricians on the ship; the ship electricians receive the ordinary or normal rates, but in respect of the electricians in the dockyard, the Department of National Defence maintains that since they are in the dockyard they are in the same position as the inside wire men on the ship. These maintenance men never put a foot on board ship, so they cannot do any work on board ship, and yet they are cheated. They are classified at the same prevailing rate of the shipyard instead of being paid according to the policy which states that it shall be the prevailing rate of an inside wire man on construction and maintenance. That has been going on for years; they have been complaining for years, and still no action is taken.

There is another matter in respect of the dockyards at Halifax and Esquimalt which I did not hear mentioned by the hon. member for Halifax, but it is a most intriguing and important one. At the dockyard there are many occasions when additional skilled men are required. They are brought in as extra men, as temporary but skilled men. They are brought in at the prevailing rate, the trade union rate, and are paid the full trade union rate. What happens to the permanent men who are on the job on the dockyard all the time? Because they know what has to be done and know how the job should be done, they supervise the work of these temporary men who are brought in. So you have the situation where the man who was brought in on a temporary basis is being paid at a far higher rate than the dockyard man who is supervising his work.

What kind of policy is it where you have the skilled man on the job receiving a lower rate of pay than the man he is supervising? That is the policy which has been pursued for years and which is being pursued right now at the dockyards of Halifax and Esquimalt. I marvel at the patience of those thousands of employees who have put up with it for this length of time. It is no wonder they are dissatisfied; it is no wonder they have reached the limit of their patience and have reached the point where they are not going to stand for any more promises or talk. They want action or they will take action.

I have no hesitation, Mr. Speaker, in saying, from information I have received from Halifax and Esquimalt, that I believe the government and the Department of National Defence right now is sitting on a powder keg and the fuse is about to be lit. You have only about 30 days and if there is no action, the government has only itself to blame.

The Acting Speaker (Mr. Rinfret): May I ask the hon. member for Halifax whether he wishes to speak on the same grievance.

Mr. Robert McCleave (Halifax): The same grievance, Mr. Speaker.

I support my colleague from Halifax (Mr. Forrestall) and my colleague for Vancouver East (Mr. Winch) and should like to say that what they have indicated to this house, in my opinion, is pretty accurate forecast of what will happen. I think the government is sitting on a burning powder keg in connection with its prevailing rate policy in respect of the dockyards at Esquimalt and Halifax. I do not believe there is a great amount of time in which to solve the problem. Action is needed now.

I am happy to see that the Minister of National Defence (Mr. Hellyer) and the Associate Minister of National Defence (Mr. Cadieux) are in the chamber to hear these contributions. I would suggest they take to their government and more particularly to the Minister of National Revenue (Mr. Benson), as the minister in charge of Treasury Board, the points of view which have been expressed by the previous speakers, as well as mine. These are matters which should be dealt with quickly.

I speak particularly of the 2,400 men classified as prevailing rate employees who work in H.M.C. Dockyard. Before I go over some points in addition to those raised by my colleague, I should like to commend him for his hard work in dealing with this problem. It is not a pleasant problem to deal with. We are members of the opposition, and I suppose we could take the attitude of shrugging our shoulders and moving away from a very bad situation; but we do represent the Halifax area and we do feel we have a responsibility, if we as members of parliament are going to play any useful role at all in seeing that this situation is solved and that somehow the aspirations of these 2,400 men are met in some satisfactory way.

When my colleague and I return to our constituencies week end after week end it is not pleasant for us to see the frustrations of these men who are trying to achieve some more reasonable wage formula. So we continue to work with them. We work as a conciliatory force, and not as a force egging or urging them on. We act as a conciliatory force with the Department of National Defence in an effort to bring forth justice and order. Nobody wishes to be a member of parliament for an area where a severe strike could break out.

No one would be proud to be a member under such circumstances, and anyone who would allow a strike or walkout to develop without an endeavour to head it off would be doing a disservice to his constituency and, since we have elements of national defence which are involved, a disservice to the whole country. My colleague has played the more active role in our dealings with this problem, but both of us have been dealing with it.

• (9:30 p.m.)

I think the points of view he has expressed here in a moderate and reasoned fashion, yet none the less with chilling overtones of what could happen if the problem is not dealt with, is an indication of his sense of responsibility, the extent of his study and his willingness to spend long hours researching into prevailing rate formulas, and factors that have to be considered by the department.

It may be suggested that collective bargaining for government employees is just around the corner and that this will provide an answer to the problems. The department or the minister may suggest that we should wait until collective bargaining is established, but I suggest that will take place too late and will only come into effect after the end of June. It will be too slow in coming and too late to deal with this particular problem. What is needed is a policy and that policy is needed now.

The Minister of National Defence, the Associate Minister and the Minister of National Revenue (Mr. Benson) must realize that a policy regarding wages for non-civil servants who are classified as prevailing rate employees must be spelled out in positive terms. If there is to be collective bargaining at some future time the collective bargainers on the government side must have some policy spelled out, so they will know what to do when they sit down with the employees. The department should consider quickly a wages policy for dockyard employees so as to give at least some indication as a guideline to be applied, if not now, then when a collective bargaining team is appointed. The simple fact that collective bargaining is just around the corner is not in my opinion a sufficient answer to the situation.

My colleague has pointed out some of the factors which bedevil the Halifax situation, factors such as costs and lower wages for

dockyard employees which drive skilled workers from the area. This is something about which all Nova Scotians, maritimers and, indeed, Canadians should be vitally concerned, because these are factors which become incentives to individuals to go elsewhere, and factors of economics which cause waste and high costs in training apprentices. The cost figure in respect of training apprentices given earlier this year in answer to a question asked by my colleague was $17,000 to $18,000 per apprentice. That is taxpayers' money that is being spent. Yet many of these apprentices are going elsewhere where they can make a better living for themselves and provide more appropriately for their families. These are points that must be considered when one deals with the seriousness of the situation.

What about the formula itself? These men are classified as prevailing rate employees. In using a prevailing rate formula one looks around for comparable industries and sets wage patterns in a particular area as a result of those comparable industries. Even this procedure has its farcical aspects. As my colleague pointed out, there is a vast difference in wages paid to prevailing rate employees at the Canadian forces base at *Shearwater* as compared to those employed at H.M.C. Dockyard; yet men employed at both leave their places of employment to go home to adjoining houses. H.M.C. Dockyard and the base at *Shearwater* are very close, so there must not be a prevailing rate in existence there because of the startling wage rate differentials that exist.

A prevailing rate formula I suggest is not inappropriate for either H.M.C. Dockyard at Halifax or the station at Esquimalt. Indeed, some recognition of this fact was given by the former government in 1961 when it departed from the formula then in existence, which equated the dockyard workers with the workers at the Halifax shipyards, right next door on the Halifax waterfront, and instead adopted a formula based on an average of seven east coast yards. This represented a significant breakthrough which was achieved by the Diefenbaker government and gave heart to many maritimers, because it showed at least a glimmering of some aspect of a national wages policy, rather than a policy narrowly anchored within specific areas. This was a march in the right direction, and I suggest it is a march that should go further.

[Mr. McCleave.]

How should a wages formula be determined? I suggest that the day has long passed when dockyard workers in this country should be tied in with shipyard workers. Without denigrating the shipyard workers of this country in any way, I suggest that dockyard workers are part of today's modern sophisticated type of defence industry which relies on electronics and which is far removed from the shipyard-dockyard comparison which existed 20 years ago, near the end of the second world war.

Because of the growing sophistication in the defence industry, the dockyard industry should be treated as part of it, and if a prevailing rate formula is to be adopted, the Department of National Defence should look to other defence industries in an area to determine wage rates for dockyard workers and not look exclusively to neighbouring shipyard industries.

It must be admitted that ship construction and repair yards in Canada are not enjoying in general the economic growth which this country is enjoying. I think this is the case principally because, as a maritime nation, we are a high cost nation in competition with other countries of the world and have not fared as well as others in our shipyard industry growth.

Finally, in deciding how this formula should be considered, it is a legitimate request on the part of dockyard workers on the east coast that the government should look at wages paid to dockyard workers on the west coast as some kind of a guide as to what are proper wages. Of all industries that are comparable, surely the dockyard industry is one that falls at the top level.

In short, sir, I suggest that a national policy is needed to deal with problems raised regarding the wages paid at Esquimalt and Halifax to dockyard workers. There are legitimate grievances which are now festering in both these areas, and if these grievances are allowed to continue to fester they will erupt and break out, as forecast by the hon. members for Halifax (Mr. Forrestall) and Vancouver East (Mr. Winch). I suggest the answer is for the department to come quickly to grips with the problem in order to devise a formula which will fit the situation which exists in the mid-1960's, rather than carrying on a philosophy which was developed at some time in the mid-1920's.

• (9:40 p.m.)

It might have been somewhat easier for my colleague and myself, from the Halifax area,

simply to let the government and the department struggle with this problem. We could have shrugged our shoulders and said, "No, we are in opposition; there is really nothing we can do to help. We cannot advance a point of view for you because no one will listen." I do not think that is a responsible attitude to take and certainly, as a member of parliament for this area, which has grievous labour problems, I do not want to take that attitude. My colleague and I are offering all the assistance we can to the government in connection with what we regard as a very difficult problem. I repeat my colleague's request and add to it my own in beseeching the government to come seriously and quickly to grips with what is a very serious problem.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker—

The Acting Speaker (Mr. Rinfret): May I ask the hon. member whether he wishes to speak along the same line as the three other members?

Mr. Mongrain: It is a related grievance which is not quite similar to those just raised by the previous speakers.

The Acting Speaker (Mr. Rinfret): May I ask the house whether we may hear another grievance?

[*English*]

Mr. Churchill: We should hear from the Associate Minister of National Defence (Mr. Cadieux).

[*Translation*]

Hon. Léo Cadieux (Associate Minister of National Defence): I wish to point out very briefly that we are aware of the problems raised by three previous speakers and that we are now looking into them, in co-operation with the Treasury Board, the Department of Labour and the Civil Service Commission.

I know that the members who raised this matter indicated that a solution to this very difficult problem is urgently needed. I shall not give a detailed account of the various phases we went through to end up with such serious difficulties. Hon. members know as well as I do how this situation started and developed.

A review of classifications is now being made by the Civil Service Commission. That is what is imposing limitations to some extent on any possible action at the administrative level of the Department of National Defence. Even though we are concerned with this problem and its urgency, we are restricted to a certain extent because of this reclassification undertaken by the Civil Service Commission.

Personally, every time I have had the privilege and pleasure of talking with representatives particularly from the Halifax areas, we have been able to approach the problem and exchange useful views in order to settle, temporarily at least, the most urgent matters pending the complete plan that is to be submitted by the Civil Service Commission.

As far as the two members for Halifax (Mr. Forrestall and Mr. McCleave) are concerned, I undertake, as requested by the senior member, for instance, to take up with to the Minister of National Revenue (Mr. Benson) the question of whether things could not be activated. We all know that the Civil Service Commission is trying to achieve what they call occupational categories and thus set a basis for collective agreements in the various contracts that have to be renegotiated.

The date set by the Civil Service Commission is October 1, 1966. According to the hon. members, that is much to late. I am inclined to agree. There is one fact we must bear in mind: we are faced with a massive reclassification. It should be recalled that when the members of the national defence staff in particular are considering these trades —we have reduced the number as much as possible; but we still have 110—in each case they have to examine a difficult problem by itself. Speaking for myself, I have never encountered such a difficult and frustrating experience as trying to consider simultaneously 110 different problems, none of which may be considered in the abstract but each of which, as the hon. member for Halifax pointed out, involves an employee, a human being with his pride, who is entitled to some regard and to receive a decent salary for the work he is doing.

I am sure, as far as our department is concerned, that we are doing everything possible to study all these problems in the right perspective with a view to finding a fair solution. I promise the hon. members, specially the member for Halifax, and without forgetting the member for Esquimalt-Saanich (Mr. Chatterton), that I shall do everything in my power so that this salary revision is completed and we can find a solution which might not only be a rule for the present but also the key for continuity in that labour

classification, where social justice would remunerate equitably the employees of national defence and the other employees in the same area.

The minister has assured me that we will do everything in our power to give satisfaction to those people who have waited so long. The Civil Service Commission and the people in charge of labour relations are working on this problem which concerns us, in an endeavour to find a satisfactory solution.

LABOUR RELATIONS—QUEBEC—STOPPAGE OF WORK BY LONGSHOREMEN

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, my grievance tonight deals with a situation which probably concerns the whole house, because it relates to the present strike on the St. Lawrence and the great lakes.

The regional industry of Trois-Rivières, which I represent, is affected, and this holds true more particularly for the 500 or 600 employees directly involved; further, I do not refer to the effects from the national point of view. I believe that up to now the Minister of Labour (Mr. Nicholson) has done everything that was humanly and logically possible, by appointing the arbitration board which invited the two parties to sit Friday. I was scandalized and amazed that the management representatives refused to attend and negotiate.

I noted, like all members, that those people were invited Saturday and that the judge was asked whether he was ready to sit, because it was an urgent matter. We were hoping until Saturday afternoon, from 2.30 to 4.30 p.m., but the management representatives refused to take part in the negotiations.

Well, Mr. Speaker, I think we have reached a point where we should ask the minister to take strong action and, if he lacks the powers necessary to force the management representatives to the negotiation table, I think he should ask the house for the emergency powers he needs. I have no doubt that the whole house would be pleased to give them to him, because Canada's economy as a whole is affected.

I would not want to give the impression that I have mentioned these facts for demagogic purposes; rather it is because I recall that, in 1961, when we had trouble caused by the S.I.U., when violence flared up, the employers applied to the courts for an injunction—I was mayor of the municipality and I took the necessary action to force the employees on the waterfront to comply with the terms of the injunction. We took strong action and forced them to comply with the law.

Then it was the employees' turn. There should not be a double standard, especially in the present case. Because of the consequences on the economy of our country, it is even more important.

I submit, and this is the suggestion I want to make on behalf of my area, knowing that there will be repercussions—I would like to ask the Minister of Labour to avail himself as soon as possible of all the authority he can dispose of to force the management representatives to negotiate. If he does not have the necessary authority, he only has to ask the house to give it to him. Afterwards, if they did not want to comply, the minister could take steps in order that navigation and transshipment of freight could continue normally.

I believe that the labour representatives, even if I do not have the authority to speak in their name, would understand, after this gesture of good will and this proof of energetic authority on the part of the minister, that it is in their interest to resume work during negotiations, because they can expect that the matter will not drag out unduly as it has dragged on since last September.

• (9:50 p.m.)

[*English*]

LABOUR CONDITIONS—UNFAIR ADVANTAGES ENJOYED BY DESIGNATED AREAS

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I have a grievance different from the subjects discussed this evening. I might run five minutes past the hour in completing my grievance, so may I have your permission to do so?

I rise at this time to protest the policy now being pursued by the government in connection with naming designated areas and rewarding industry that locates and settles in these designated areas at the expense of the whole country. This policy, which is one of sheer favouritism, gives all the advantages of attracting industry to these designated areas.

I think it is also timely that I protest against this policy tonight, because at this very minute the executive and members of the Prince Edward Chamber of Commerce are meeting in Picton, Ontario, to wrestle with the problem of our failure to attract new industry. The same problem exists in Lennox as well, which has people, problems and industrial circumstances similar to those of Prince Edward.

The policies of the government are seriously impeding the economies of these two great counties. Prince Edward county has already lost a good prospective industry. The persons acting for the industry said that they could not consider locating in Prince Edward, even with all its many advantages and good qualifications, because the federal government grants were so substantial that they could not afford to pass them up.

We have in my riding, Mr. Speaker, all the responsibilities to keep our economy buoyant and rolling that are faced by the people in designated areas. We have children to educate, bills to pay, taxes to pay, taxes which are used by this government to the advantage of the designated areas and to our disadvantage. We try to promote industry but to no avail, as we cannot compete in the situation brought about by the discriminatory policies of this government. Even our students, Mr. Speaker, cannot get summer jobs because of the lack of industrial growth in the county. They go elsewhere for employment—yes, for permanent employment

I have here an article which appeared in the Picton *Gazette* of May 6, and I should like to quote parts of it:

> Already one industry has turned down the Prince Edward area in favour of the heavy federal government assistance available in a designated area. The recommended resolution calls for Prince Edward to either be designated for industry grants or given assistance so the county can compete with designated areas.

The latter is preferable.

I submit, Mr. Speaker, that industrial and economic progress can be maintained and nurtured in this country without a preferential government policy of the kind presently existing. This practice and policy of the government is creating much unrest in the nation. It is turning city against city, municipality against municipality. Who knows—as time goes by we may find that some of these federally subsidized industries have located in the wrong place and the wrong area, and may in the long run have done better to settle in the very area or areas which were turned down at the beginning. Such an area is Prince Edward-Lennox, which is splendidly located approximately half way between the two greatest metropolitan markets in Canada—I refer to Toronto and Montreal with first class rail and deep water transportation facilities, a good, vigorous, intelligent and basically capable labour pool; with living conditions and environment and recreational conditions second to none. With these characteristics these counties can offer prospective industry the best of advantages. Existing industry now prospering in our counties is proof of this. But we cannot compete at this time with the present policies of the government, which are so partial to our neighbouring designated areas.

The Prince Edward Chamber of Commerce is working harder than ever before on industrial promotion, as is the Napanee Chamber of Commerce. But Prince Edward is getting no new industry; neither is Napanee. Both Picton and Napanee assist and encourage their existing industries all they can. The pace of present-day standards of taxation, of competition, of living, and of population growth demand that we multiply our enterprises, that we produce more in our own areas in keeping with all the circumstances pertaining to our ambitious and vigorous Canadian economy.

Prince Edward-Lennox, the Ontario home of the Loyalists and older than Canada itself, is one of the cradles of Canadian civilization. The area developed on an agricultural economy which still flourishes, despite some disadvantages. But now in 1966, Mr. Speaker, agriculture, although it can feed us, cannot keep and provide employment for us all.

That is why I call upon this government either to do away with this law delineating these designated areas, or to bend these binding restrictions on our area and make an arrangement whereby we can compete with our neighbours toward a more prosperous Canada.

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

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

1. General administration, including the promotion of a program for the employment of the older worker; the promotion of programs for combating seasonal unemployment; the organization and use of workers for farming and related industries; and the manpower consultative service, $3,913,500.

DEPARTMENT OF DEFENCE PRODUCTION

1. Department administration including the care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling and grants to municipalities in lieu of taxes on Crown-owned defence plants operated by private contractors, $21,330,800.

Estimates Entered for Consideration

DEPARTMENT OF FINANCE

1. Department administration, including administration of the Guaranteed Loans Acts and the Inspector General of Banks' Office, and payments to provinces and grants as detailed in the estimates, $4,332,900.

DEPARTMENT OF JUSTICE

1. Administration, including the office of the Superintendent of Bankruptcy, grants and contributions as detailed in the Estimates, gratuities to the widows or such dependants as may be approved by Treasury Board of judges who die while in office and authority to make recoverable advances for the administration of justice on behalf of the governments of the Northwest Territories and the Yukon territory, $2,719,950.

DEPARTMENT OF PUBLIC WORKS

1. General administration, including grants as detailed in the estimates, $15,772,000.

LEGISLATION

1. Allowance in lieu of residence to the Speaker of the Senate, $3,000.

PRIVY COUNCIL

1.—Maintenance and operation of the Prime Minister's residence, $35,000.

Mr. McIlraith: Mr. Chairman, before you leave the chair I want to indicate, so that it will be on the record, that the number of departments called tonight was by agreement.

Mr. Churchill: Is there still one left open?

Mr. McIlraith: There is still one left open, the estimates of the Solicitor General.

• (10:00 p.m.)

Proceedings reported.

Mr. McIlraith: I wonder if the house would revert to motions for the purpose of making changes in a committee, and for the purpose of hearing an announcement by the hon. Minister of Labour.

Mr. Deputy Speaker: Does the house give unanimous consent to revert to motions?

Some hon. Members: Agreed.

LABOUR RELATIONS

QUEBEC—APPOINTMENT OF MEDIATOR IN LONGSHOREMEN DISPUTE

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am sure that all hon. members of the house and all Canadians will welcome the announcement that His Honour Judge Rene Lippe, who performed such outstanding service for Canada in the fall of 1963 at the time of the water front trouble in Montreal, and who has since continued to render outstanding service to Canada as a member, and latterly, as chairman of the Maritime Board of Trustees, has agreed to accept the responsibility of mediator in the new Montreal dock trouble.

The Prime Minister and I have been talking to Judge Lippe this evening. He is returning to Montreal tonight. The first meeting of the parties with him in his capacity as mediator will take place in his office in Montreal at 2.30 tomorrow afternoon.

BUSINESS OF THE HOUSE

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, tomorrow we propose to bring forward for consideration item No. 52 on today's order paper, the resolution dealing with the provisions for term 29 of the agreement with Newfoundland; then, item 60 on today's order paper, the resolution preceding the bill respecting allowances to persons being trained under technical and vocational training programs; then the estimates of the Post Office Department, Department of Industry and the Department of Defence Production. We will continue any unfinished part of that program on Thursday.

Mr. Deputy Speaker: Order, please. Is the Chair correct in its understanding that there has been agreement to have no proceedings on the adjournment motion this evening?

Mr. Knowles: I did not understand that. I believe that one of the questions that had been announced was to be postponed, but that was far as it went.

Mr. McIlraith: That was my understanding.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

THE SENATE—SUGGESTED ACTION LEADING TO ABOLITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on the orders of the day this afternoon I addressed a question to the Prime Minister with reference to a new way in which the Senate might be abolished. My question was based on a news report of the intention on the part of Premier Lesage to abolish the upper house in the province of

Quebec. It was on the basis of the manner in which Premier Lesage proposed to take this step that I put my question to the Prime Minister.

Mr. Speaker thought that it was an improper question for the orders of the day and so I suggested that we could perhaps abolish the Senate at ten o'clock tonight.

I hope the applause is recorded in *Hansard*.

I think I should quote a couple of sentences attributed to Mr. Lesage in yesterday's edition of the Montreal *Gazette*. It is an excellent statement of the proposition that an upper, non-elected house should be abolished. These are the words from yesterday's *Gazette*:

> Mr. Lesage said abolition is necessary to transform and democratize parliamentary procedure and put government in the hands of the people. In the future the decisions of the representative of the people must be final; they cannot be in the hands of those who are appointed.

I agree thoroughly with the sentiments expressed by Mr. Lesage, and though all members of parliament do not yet realize it—they will in due course— I believe the day has come when the affairs of our democracy should be in the hands of those who are elected by and are responsible to the people of Canada.

I raise this question, however, because I think Premier Lesage has made statements which make it necessary for this government to come forward with some comment. As hon. members are aware, in the last session of the previous parliament we were informed that the government of Quebec had asked the government of Canada to endorse a petition from the lower house of Quebec to Her Majesty the Queen for an amendment of the constitution in a manner which would curb the powers of the Quebec upper house.

I for one fully agree with Premier Lesage's aim to curb those powers or to do away with the upper house altogether. But the way in which this proposition was placed before us last session did raise some questions as to the manner in which we should amend our constitution.

Mr. Lesage has gone one step further. He has told the electors of Quebec that he now proposes to abolish the upper house in that province. He says that if his government is returned to power and if Westminster agrees to amend the British North America Act as he has requested, Quebec will then be in a position in which measures passed by the lower house cannot be vetoed by the upper house for more than a year.

So, says Mr. Lesage, the government of which he is Premier will cause to be passed a measure in the lower house abolishing the upper house. Then, if the upper house refuses to agree, a year later the lower house will pass the measure again and, ipso facto, the upper house goes.

If this is being done in Quebec on the basis of action taken by this government in Ottawa in sending the matter on to Westminster, it would suggest a course which might be taken to get rid of the upper house in the parliament of Canada. I suggest it follows. If it can be done there, in that way, in Quebec, it could be done in the same way here. We could pass a resolution in the lower house of parliament asking that the powers of the upper house be curbed so that it cannot veto a measure from this house for more than one year. Then we could ask the government, without going to the upper house for approval, to send that resolution to Westminster.

• (10:10 p.m.)

We would thus be asking Westminster to amend our constitution. Then a year or so later, the power of the other house having been curbed, we could pass a bill in this house abolishing the other place, and a year later that would be the end of the Senate.

I want to say categorically that as a lifelong abolitionist so far as the Senate is concerned, I would not do it that way. I think it is a devious way to deal with the matter, and I would do it more directly; but this is the position that the government has helped to create. The government supported the proposition of sending a resolution from one house in Quebec to Westminster, even though the other house did not approve it.

Now we have Mr. Lesage putting everybody in a difficult position, and most of all putting Westminster in a difficult position. The tradition at Westminster is to approve without question requests for amending our constitution, and their hope is that we will not send them requests of this kind many more times. But when Westminster is told in very plain language that this present amendment of the constitution is going to be used for a purpose that was not stated when the amendment was sought, it will put the British government and the British parliament in a rather awkward position.

This was one of the reasons I asked this question this afternoon, namely that the government should be making a statement on this matter. Either the government should

admit that it has helped to work out a simple formula for abolishing an upper house—and if it works for Quebec it should work for this parliament—or it should take another look at what it has gone along with in sending, by executive action, approval of Mr. Lesage's request for an amendment to the B.N.A. Act, even though we in this parliament had no chance to vote for it.

I realize, Mr. Speaker, that there is a bit of a mixture in the things I am talking about. I take my stand with Premier Lesage, that democracies should be run by members who are elected. There is no place for appointed upper houses, either in Quebec or here, and some day we shall be rid of them; but I do think we have to look at the niceties of constitutional procedure, and I would be interested in knowing what the comment of the government is on this very interesting development.

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, we have just heard from a member of this house who has served long and in an illustrious manner, and who has spoken many times on the form and function of parliament. But I would remind hon. members, before we talk in terms of destroying a constituent part of parliament, that there was much reason and logic to the creation of this particular institution, the Senate, by the founding fathers.

This evening I spent some time reading the address given by the then Attorney General, John A. Macdonald, on February 6, 1865, in the parliamentary debates on the subject of the confederation of the British North American provinces. One cannot read this lengthy address by this constitutional authority of the day without appreciating that many of the problems facing the colonies of those days still continue to exist in Canada.

Actually, though my experience in this house is very limited in comparison with that of the hon. member for Winnipeg North Centre (Mr. Knowles), I remember vividly the year 1961 when on two occasions, in the case of class and kind legislation and in the Coyne affair, many Canadians were grateful for the existence of the other place. Sir, economic life today is governed by a mixture of private decisions taken in the corporate sector of the economy and of public decisions taken by governments, with the latter constantly assuming greater importance.

I do not think there is any argument that in the post-war years there has been a profound change in distribution of income and in economic organization, and this is to the good. But to do this soundly and well there have to be certain constitutional safeguards. It is a fact that government action brings more and more aspects of life and affairs within its orbit. Perhaps one can even say that the citizen is progressively stripped of effective influence on certain directions of government. Perhaps it is the Senate in certain particulars which becomes the great safeguard of the liberties of the public. I think of some of the persons presently holding seats in the other place whose wisdom, judgment and experience in matters of civil liberties and in matters of welfare and economic change are significant and important to the future growth and well-being of this country.

Mr. Deputy Speaker: Order, please. The time allotted to the hon. gentleman has expired.

Mr. Knowles: The Senate is saved by the bell.

Motion agreed to and the house adjourned at 10.20 p.m.

HOUSE OF COMMONS

Wednesday, May 18, 1966

The house met at 2.30 p.m.

CRIMINAL CODE

AMENDMENT RESPECTING RIGHT OF ACCUSED TO COUNSEL

Mr. Auguste Choquette (Lotbinière) moved for leave to introduce Bill No. C-184, to amend the Criminal Code (right to counsel).

• (2:40 p.m.)

[*Translation*]

Some hon. Members: Explain.

Mr. Choquette: Mr. Speaker, one of the sponsors of the Bill of Rights, Hon. Noel Dorion, expressed recently a few reservations with regard to the effectiveness of that bill in practice. The purpose of this bill is to remedy a situation. Too many police officers violate the Bill of Rights every day; too many police officers treat prisoners like dirt.

Consequently, the object of this bill is to make it a criminal offence for a police officer or any law officer to refuse a prisoner the right to call his lawyer.

[*English*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

AID TO FRENCH SPEAKING COUNTRIES

Question No. 1,095—**Mr. Laprise:**

1. Since 1960, what sum did the government award each year to assist African and Asiatic French speaking countries and how much was spent each year?

2. With reference to help to such countries, did the province of Quebec make any special requests and if so, what were they?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): 1. Under procedures worked out with recipient governments Canada allocates annually to each eligible country or region a portion of the aid funds voted by parliament. As soon as arrangements are worked out for the effective utilization of these allocations, funds are committed to specific projects which have been requested by developing countries. Expenditures occur only when all arrangements have been completed for the execution of the project; the funds are voted on a non-lapsing basis in order to overcome any problems occasioned by the time lag between commitment and disbursement. The annual allocations, commitments and expenditures to French-speaking countries are as follows:

(Million $)

Fiscal Year	Allocations	Commitments	Expenditures
1961-62	.619	.392	.392
1962-63	1.900	1.851	1.851
1963-64	.926	.922	.922
1964-65	4.678	3.921	1.921
1965-66	8.988	6.364	4.062

In addition $2.194 million has recently been committed to the Nam Ngum Hydro-Electric project as part of the Mekong River Development The French speaking States of Asia will be the principal beneficiaries.

2. No.

[*English*]

VIOLATION OF 12 MILE FISHING LIMIT

Question No. 1,106—**Mr. Forrestall:**

1. With reference to the answer to question No. 770, what, if any, action was taken in respect of each of those violations where fishing was being carried out?

2. What action, if any, was taken in respect of other ships listed as being in violation of the 12-mile limit?

Hon. H. J. Robichaud (Minister of Fisheries): 1. The vessels fishing, on warning, hauled their gear and proceeded seaward.

2. Vessels not fishing were instructed to proceed outside of the Canadian fishing zone and complied or left of their own volition upon sighting patrol units.

LORD'S DAY ACT AMENDMENT

Question No. 1,107—**Mr. McQuaid:**

1. Does the government intend, in consultation with provincial authorities, to review and suitably revise the Lord's Day Act with a view to having it reflect present day conditions and to remove obvious anomalies?

2. If so, how soon may this revision be expected?

Questions

Hon. Lucien Cardin (Minister of Justice): 1 and 2. Not at present.

HIT AND RUN AUTOMOBILE ACCIDENTS

Question No. 1,168—**Mr. Forest:**

1. Since 1960, how many hit and run car accidents have occurred each year in (a) Canada (b) the province of Quebec (c) Montreal?
2. How many people have been (a) killed (b) wounded in the places mentioned in part 1 above during that period?
3. What has been the average number of sentences in relation to the total number of such accidents reported during that period?

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

1. and 2. Data relating to hit and run accidents are not reported statistically. However, under the uniform crime reporting program, which was implemented in January 1962, police report the number of offences of failing to stop at the scene of an accident for which data are available for 1962-64. Information is not available for 1960, 1961 and 1965.

Failing to stop at scene of accident offences reported by the police, 1962-64.

	1962	1963	1964
	No.	No.	No.
Canada	19,822	23,602	28,685
Province of Quebec	6,889	7,898	10,091
Montreal	4,058	4,500	6,308

Number of persons killed or injured in traffic accidents as reported by the police under the uniform crime reporting program, 1962-1964

	Killed			Injured		
	1962	1963	1964	1962	1963	1964
	No.	No.	No.	No.	No.	No.
Canada	4,020	4,261	4,690	106,746	121,989	135,264
Province of Quebec	1,265	1,352	1,487	31,627	37,550	40,105
Montreal	132	143	158	11,787	14,473	15,041

3. The prosecution of such offences is a provincial matter and no records are kept in the Department of Justice.

INDIAN STUDENTS

Question No. 1,244—**Mr. Orlikow:**

1. How many Indian children at present attend elementary schools, and how many attend secondary schools?
2. How many of the children attending elementary and secondary schools are attending schools which are (a) purely Indian (b) integrated?
3. How does the percentage of Indian students attending elementary schools compare with the percentage of the whole population attending elementary schools?
4. How does the percentage of Indian students attending secondary schools compare with the percentage of the whole population attending secondary schools?
5. How many Indian students at present are attending universities or other advanced educational institutions?

[Mr. McQuaid.]

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Elementary schools, 49,407; Secondary schools, 5,509; Grade unknown, 6,479; Total, 61,395.

The 6,479 students for whom grades are unknown represent the children who are living off reserve and attending provincial schools and for whom details are not available.

2. (a) In schools operated by Indian affairs branch, 32,040. (b) In integrated schools, 29,355.

3. Percentage of Indian students attending elementary schools, 90 per cent. Percentage of school population in Canada attending elementary schools, 74 per cent.

4. Percentage of Indian students attending secondary schools, 10 per cent. Percentage of school population in Canada attending secondary schools, 26 per cent.

5. 173.

GOVERNMENT PUBLICATION OUTLETS

Question No. 1,308—**Mr. Forrestall:**

1. In what Canadian cities does the government operate commercial outlets for Canadian government publications?

2. When was each opened?

3. What has been the operating revenue from each?

4. Does the government intend to open other outlets and, if so (a) in what Canadian centres (b) when?

5. Have any of the outlets made a profit since they have been opened and (a) if so, which ones (b) if not, what has been the operating deficit of each outlet?

Hon. Judy V. LaMarsh (Secretary of State): 1. Ottawa, Toronto, Montreal, Winnipeg, Vancouver.

2. Ottawa 1959, Toronto 1960, Montreal 1961, Winnipeg and Vancouver 1965.

3. Bookshop	1960-61	1961-62	1962-63	1963-64	1964-65	*1965-66
	$	$	$	$	$	$
Ottawa	45,877	75,684	87,319	113,671	133,339	118,174
Toronto	n/a	84,922	112,798	115,113	147,853	138,616
Montreal	n/a	n/a	128,450	144,227	191,629	154,334
Vancouver	n/a	n/a	n/a	n/a	2,216	69,463
Winnipeg	n/a	n/a	n/a	n/a	9,082	32,713

*Figures up to the end of February 1966 only.

4. Yes. (a) Halifax; (b) autumn 1966.

5. (a)

Bookshop	1963-64	1964-65	*1965-66
Ottawa	$31,675	$27,175	$26,230
Toronto	37,490	46,791	44,950
Montreal	48,265	57,740	42,100
Vancouver	n/a	—	5,126
Winnipeg	n/a	—	—

(b)

Bookshop	1963-64	1964-65	1965-66
Ottawa	—	—	—
Toronto	—	—	—
Montreal	—	—	—
Vancouver	n/a	$19,787	—
Winnipeg	n/a	17,633	$4,079

*Figures up to the end of February 1966 only.

NOTE: Profit or loss figures for years prior to 1963-64 not available.

BUTTER SERVED WITH AIR CANADA MEALS

Question No. 1,353—**Mr. Crouse:**

1. Does Air Canada use imported butter on the Halifax to Bermuda and West Indies route when serving in-flight meals?

2. If so (a) what brands are served and from what countries are they obtained (b) what is the reason for not using Canadian butter on these flights?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1 and 2. The butter served on Air Canada's Halifax-Bermuda and West Indies route is Canadian butter. However, the caterer supplying the meals for northbound flights from the Caribbean to Halifax uses butter from Australia.

ARMED FORCES STATISTICS

Question No. 1,391—**Mr. Godin:**

1. How many persons are enlisted in the three armed forces of Canada (a) army (b) navy (c) air force?

2. What is the maintenance cost of these persons (a) for one day (b) for one year?

3. How many Canadian servicemen are on military service outside Canada?

4. Where are they stationed?

5. How many servicemen are there in each place?

6. What amounts is the government of Canada required to pay per year for the maintenance of these forces in all the places outside Canada?

[*Translation*]

Hon. Léo Cadieux (Associate Minister of National Defence): 1 and 2.

	Strength as of 31 March 1966	Maintenance Costs Per Day	Per Annum
(a)	43,914	$706,000	$257,690,000
(b)	18,439	296,000	108,200,000
(c)	45,114	725,000	264,730,000

3, 4 and 5. 15,497 as follows: Australia, 4; Belgium, 46; Bermuda, 33; Britain, 371; Cyprus, 940; Czechoslovakia, 2; Egypt, 859; France, 2,383; Germany, 9,671; Ghana, 19; India, 1; India Pakistan, 82; Indo China, 69; Israel, 3; Italy, 91; Japan, 2; Korea, 2; Netherlands, 2; Nigeria, 2; Palestine, 21; Poland,

4; Russia, 8; Sweden, 4; Tanzania, 53; Turkey, 6; U.S.A., 817; Yugoslavia, 2.

6. $106,190,000.

The above estimated cost figures include military pay and applicable allowances plus the cost of rations, clothing, travel, medical and dental care, as well as the government contribution to the Canadian Forces Pension Fund.

[*English*]

JEEPS AND TRUCKS, CANADIAN ARMY

Question No. 1,393—**Mr. Godin:**

1. How many (a) jeeps (b) trucks in good service order are owned by the Canadian army?

2. How many of these jeeps and trucks are (a) on Canadian territory (b) in foreign countries (c) in each of these foreign countries?

3. During the last three years, how many of these vehicles (a) in service in Canada (b) in service outside Canada, were considered unserviceable and rejected by the military authorities?

[*Translation*]

Hon. Léo Cadieux (Associate Minister of National Defence): 1. As of 31 March, 1966, the Canadian Army had (a) 2,728 jeeps; (b) 15,815 other types of trucks.

2. (a) 2,139 jeeps, 14,150 other types of trucks; (b) 589 jeeps, 1,665 other types of trucks; (c) Germany 477, Cyprus 112 jeeps; Germany 1,615, Cyprus 46 and Britain 4 other types of trucks.

3. None of the above have been declared unserviceable or rejected but during the past three years the following unserviceable vehicles have been turned over to CADC for disposal.

	1963	1964	1965
(a)	546	1,314	862
(b)	39	67	113

[*English*]

HIRING OF TEACHERS OF FRENCH

Question No. 1,400—**Mr. Martin (Timmins):**

Is the government hiring teachers of the French language and if so, (a) what qualifications are required (b) when could they start (c) where must an application form be filed (d) who hires the teachers (e) are these teachers on contract (yearly or otherwise) (f) what is the salary schedule (g) are there other fringe benefits?

Hon. Judy V. LaMarsh (Secretary of State): Yes. (a) Minimum—bachelor's degree in arts or education, and two years of experience in the teaching of a second language. Perfect fluency in French is essential; (b) Teachers recruited now are expected to start in August 1966; (c) With the Civil Service Commission in Ottawa; (d) The Civil Service Commission; (e) No. They are employed as civil servants but their work schedules during the academic years are designed to reflect as closely as possible the arrangements usually found in similar educational institutions outside the public service; (f) Language officer 1, $5,821 to $9,700; $5,996 to $9,991 (eff. July 1, 1966); Language officer 2, $7,956 to $11,600; $8,195 to $11,948 (eff. July 1, 1966); (g) Language officers are entitled to all fringe benefits accorded civil servants such as a pension plan, optional group medical insurance, vacation, sick, retiring, special leave, etc., as well as financial assistance and the opportunity, during the summer months to improve their professional skills by attendance at universities or other institutions.

AIR CANADA PURCHASES OF FLIGHT SIMULATORS

Question No. 1,405—**Mr. Schreyer:**

1. How many flight simulators has Air Canada purchased in each of the past five years?

2. Of these, how many were purchased (a) in Canada (b) from foreign countries?

3. What was the total cost in foreign exchange for all purchases relating to part 2 (b) above?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Air Canada advise as follows: 1. Only one flight simulator was purchased by Air Canada during the past five years, to be delivered in May 1966.

2. The successful bidder, who submitted the lowest tender, was Redifon Canada, although the simulator is being manufactured in England by Redifon Ltd.

3. The total cost, including federal and provincial taxes, is approximately $1,085,000, all of which is payable in Canadian currency.

HALIFAX AIRPORT

Question No. 1,413—**Mr. Forrestall:**

1. Is the airport operated by the Department of Transport in Halifax county an international terminal?

2. What standards of service are considered by the government as being acceptable to international air carriers at our international airports?

3. Does Halifax fully meet such standards at all times?

4. If not, in respect to what services does it fail and why?

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

2. Standards of service to meet the general operational requirements of the international carriers using the airport.

3. Yes.

4. N/A.

INTERNATIONAL FLIGHTS, HALIFAX AIRPORT

Question No. 1,414—**Mr. Forrestall:**

1. During the past four to six weeks have at least three international flights decided against using Halifax airport because of inadequate services which would result in undue delays and, if so (a) has the government been advised of this (b) what action, if any, was taken to correct this situation (c) what action, if any, is planned?

2. What is the total charge for fuel, food, servicing and landing fees for (a) a routine stopover (b) an overnight stopover at Halifax airport by such an international flight?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. No known international flights have decided against using Halifax airport within the past four to six weeks because of inadequate services which would result in undue delays.

2. The Canadian landing fee for a transoceanic DC-8 flight at any airport is $400. Overnight parking for the same aircraft would be $21. Charges for food, fuel, aircraft servicing and overnight accommodation would be a matter between the air lines concerned and the companies or agencies providing such service rather than the department.

*STEPS TO FIGHT POVERTY

Question No. 1,415—**Mr. Mongrain:**

1. Are any measures at present being taken by the government to fight poverty in Canada and, if so, what are those measures?

2. Does the government intend to take any further measures in the next eight months to fight poverty in Canada and, if so, what are those measures?

[*Translation*]

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): The federal government is now implementing some far-reaching measures to fight poverty in Canada through several government agencies. Those programs aimed at alleviating misery or at increasing opportunities in the economic field, include a number of measures dealing with health and welfare as well as the training of manpower, incentives to industry, low-priced housing and the development of rural areas.

2. The government will continue to take steps to alleviate poverty by its own means and in co-operation with the provincial governments. The bill providing for the establishment of the Company of Young Canadians has already been introduced in the House of Commons and the Canada Assistance Plan will follow shortly. The adoption of other measures will be announced as the decisions are taken.

[*English*]

FEDERAL EXPENDITURES ON CAMPING GROUNDS

Question No. 1,417—**Mr. Caron:**

How much money has the federal government spent in each of the ten provinces with regard to camping grounds and trailer parks?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. The federal government has expended the amounts indicated below under: (a) national parks. (b) trans-Canada highway camp ground and picnic areas program. (c) winter works camp grounds—picnic areas program: Newfoundland, $886,271; Prince Edward Island, $1,236,086; Nova Scotia, $1,951,045; New Brunswick, $1,477,614; Quebec, $38,828; Ontario, $4,064,512; Manitoba, $1,950,099; Saskatchewan, $1,490,057; Alberta, $3,934,122; British Columbia, $4,022,226.

QUEBEC—REFUSAL OF FEDERAL GRANTS FOR CAMPING GROUNDS

Question No. 1,418—**Mr. Caron:**

Has the province of Quebec refused grants from the federal government for camping grounds and trailer parks?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): There are no national parks in the province of Quebec but funds have been applied for and granted to Quebec for camp grounds and trailer parks under the winter works camp grounds-picnic areas program.

*TITLE OF PROVINCE OF NEWFOUNDLAND

Question No. 1,423—**Mr. Allard:**

In its communications with the government of Newfoundland, does the federal government refer to the province of Newfoundland or to the province of Newfoundland and Labrador?

Questions

[*Translation*]

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): When it refers to the government of Newfoundland, the federal government is usually guided by the provisions of the Agreement signed by Canada and Newfoundland on December 11, 1948.

[*English*]

WATER POLLUTION, BAY OF CHALEUR

Question No. 1,429—**Mr. Douglas:**

1. With reference to the investigations being conducted by the Department of Fisheries, the fisheries research board, and the New Brunswick water authority mentioned in the answer to question 721, when did these studies start?

2. When are these reports expected to be completed and will they be made public?

3. Is the government of Quebec or any of its agencies involved in scientific studies with the federal Department of Fisheries or the fisheries research board regarding potential pollution of the salt water of Bay Chaleur and, if so, what agency or agencies are involved in such studies?

4. Has it been established whether or not trace amounts of zinc and copper ions in salt water will have the same fatal effect on salmon and other fish as zinc and copper ions have in fresh water?

5. When will the various elements of the Belledune smelter complex go on stream?

6. How many gallons of water per day will the Belledune smelter complex use when in full production and what will be the discharge rate of polluted water into Bay Chaleur in gallons per day?

7. Has the Department of Fisheries set a pollution level for water being emptied into Bay Chaleur and, if so, what is the level that has been established?

8. Was any consideration given to the discharge of effluents from the Belledune smelter complex into the open water off Shippegan and Miscou Islands?

9. Has any consideration been given by the Department of Fisheries to the establishment of a salt water pollution committee in the Bay Chaleur area?

Hon. H. J. Robichaud (Minister of Fisheries): 1. Studies were started following a meeting in December, 1963, between the company and the New Brunswick water authority.

2. The completion date cannot yet be determined. The reports will be technical and confidential, and it is not proposed that they be published.

3. No.

4. Yes.

5. The department has been informed that the smelter may commence production this summer. Plans for other components are not known.

[Mr. Allard.]

6. Provision is made for up to 14.4 million gallons per day of fresh water to serve the ultimate development, including townsite. The smelter will use some fresh water and some salt water for cooling; water contaminated by metals will be recirculated; waste water from gas scrubbers will be neutralized before discharge.

7. No.

8. No.

9. No.

NIGHT TRAIN SERVICE, MONTREAL-QUEBEC

Question No. 1,434—**Mr. Mongrain:**

Has the Department of Transport been asked to restore the night train between Montreal and Quebec in view of Expo '67 and, if so (a) by whom (b) what response has been given or will be given?

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

FEDERAL BUILDING SITE, AMHERST, N.S.

Question No. 1,460—**Mr. Coates:**

1. Have negotiations been completed as to the site of the new federal building which is to be constructed at Amherst, Nova Scotia and, if so (a) what site has been selected (b) from whom was the property purchased (c) what was the amount paid in each instance?

2. If negotiations have not been completed yet, when is it expected that they will be completed and are alternate sites being considered?

Hon. G. J. McIlraith (Minister of Public Works): 1. No. (a), (b) and (c), not applicable.

2. Negotiations for the site now under consideration may be completed in about three months.

EMBARGO ON COPPER EXPORTS

Question No. 1,477—**Mr. Mongrain:**

1. Has the government received lately any representations about the scrap copper shortage and suggestions that the embargo on this scrap should be extended to the United States?

2. If so, is the government considering thus extending the embargo.

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. Yes.

2. After consideration of all the relevant factors and after examination of the situation with the Industry Advisory Committee, it is

considered that in present circumstances Canada's interests would be best served by keeping the border free of control.

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

DOMINION-PROVINCIAL CONFERENCES

Question No. 302—**Mr. Bower:**

1. How many conferences between dominion and provincial representative authorities have been convened and held, year by year, since 1939?

2. What was the nature and purpose of each of said conferences?

Return tabled.

GROUP TRIPS TO EXPO '67

Question No. 1,090—**Mr. Watson (Assiniboia):**

1. Is the government planning to organize group trips to Expo '67 from across Canada?

2. If so, how many groups will be making these trips and what transportation facilities will be used?

3. Is the government encouraging private organizations such as service clubs to make group trips to Expo '67?

Return tabled.

Mr. Robert McCleave (Halifax): On a point of order, Mr. Speaker, starred question No. 998, standing in my name, has been on the order paper since March 7. It is a simple request for information, and I wonder when I can expect an answer to it from the Secretary of State.

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, my question No. 980 also has been on the order paper since March 7. Considerable interest has developed around this question, and I am wondering what is the difficulty in obtaining an answer.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, in looking at these questions I can see no reason that either of them should not be answered. I will give an undertaking that they will be answered one week from today, or else.

[*Later:*]

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, at the same time, I would like to ask the Secretary of State to take into consideration question No. 1,158 which has been on the order paper for two months and to which an answer could be readily given.

The Secretary of State might also agree to the same thing with regard to that question as to the previous one. It is question No. 1,158.

[*English*]

Miss LaMarsh: Mr. Speaker, question No. 1,158 requests a considerable amount of information and it would seem that it might take some length of time to answer it.

Mr. J. H. Horner (Acadia): Mr. Speaker, on this same point of delay in answering questions, I should like the Secretary of State to look at question No. 1,402 which has been on the order paper for a considerable period. In view of what the Russian wheat sales mean to the economy of Canada—

Mr. Speaker: Order.

Mr. Horner (Acadia): —and in view of the fact that the question merely requires a yes or no answer, I am sure the government should be able to give an answer without delay.

Mr. Speaker: Order.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, while we are on this subject, I do not wish to rush anything but I asked for production of papers last session—

Mr. Speaker: Order. Would the hon. member kindly resume his seat.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notices of motions for papers Nos. 120 and 127 are acceptable to the government subject to the reservations concerning confidential requests and the authorization of the province of Ontario.

Would Your Honour be kind enough to call notices of motions Nos. 21, 120, 124, and 128?

I ask that other notices of motions be allowed to stand.

[*English*]

MR. JUSTICE LANDREVILLE—LAW SOCIETY STATEMENT

Motion No. 21—**Mr. Cowan:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the statement prepared by the Benchers of the Upper Canada Law Society respecting Mr. Justice Leo Landreville of the Ontario Supreme Court.

Motions for Papers

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, I think within the past two weeks the subject matter of this motion has been decided on by the house. I would respectfully submit that the motion is not now receivable by the house.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

FATHER MOSS SCHOOL, SIOUX NARROWS, ONT.

Motion No. 120—**Mr. Reid:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the correspondence between the federal government and the government of the province of Ontario, and between individuals and organizations in the district of Kenora, and elsewhere, concerning the Father Moss school at Sioux Narrows, Ontario.

Mr. Speaker: Subject to the reservation expressed by the parliamentary secretary, is it the pleasure of the house that notice of motion No. 120 be agreed to?

Some hon. Members: Agreed.

Motion agreed to.

CONSTRUCTION OF "LA GRANDE HERMINE"

Motion No. 124—**Mr. Keays:**

That an order of the house do issue for a copy of any communications exchanged between the Department of Northern Affairs and National Resources, or the minister or any official thereof, and the centennial commission or the authorities of Expo '67 or any other person with reference to the construction of "La Grande Hermine".

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, this notice of motion asks for the production of certain papers exchanged between my department and the centennial commission or the authorities of Expo '67. I am informed that in accordance with parliamentary usage these are privileged and confidential papers and therefore should not be tabled. There is, however, some correspondence which we could table, and if the hon. gentleman would accept my assurance that as far as we can go the correspondence will be tabled, we will accept it on that basis.

Mr. J. R. Keays (Gaspé): Mr. Speaker, I accept the suggestion of the minister, and I trust that all the information which I seek will be made available.

Mr. Speaker: Subject to the reservations specified by the hon. member, is it agreed that this motion is acceptable?

Some hon. Members: Agreed.

Motion agreed to.

[Mr. Cowan.]

1972 WINTER OLYMPIC GAMES

Motion No. 127—**Mr. Dinsdale:**

That an order of the house do issue for a copy of any communications between the Minister of Northern Affairs and National Resources and the Canadian Wildlife Federation, the Canadian Audubon Society, the National and Provincial Parks Association, or any other group or individuals, concerning the staging of the 1972 winter Olympics in Banff national park.

Motion agreed to.

SEAFARERS INTERNATIONAL UNION

Motion No. 128—**Mr. Howard:**

That an order of the house do issue for a copy of any communication exchanged between the maritime trustees, or other organizations and other persons, and the Minister of Labour or any official of the Department of Labour, with respect to the seafarers' international union.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, reference is made in this notice of motion to communications exchanged between the maritime trustees or other organizations and other persons and the Minister of Labour or officials of the Department of Labour. I have had occasion to look into this matter at some length in connection with this notice of motion and two others which have appeared on the order paper this session, and I have come to the conclusion that communications between the maritime trustees and the Minister of Labour or the department are confidential because they relate largely to work done by the trustees in their positions of trust. They also involve communications in which legal opinions were requested.

Any arguments that could be advanced in favour of or against the production of these communications were advanced in connection with motion No. 9, which was disposed of by a vote last week. I presume that technically the hon. member may be entitled to communications between other organizations.

[*Editor's note: At this point a loud explosion was heard in the chamber.*]

Mr. Speaker, I was saying that technically some of the communications between other organizations, the Minister of Labour and the department may be producible, but I assure the hon. gentleman that they would be of no great interest, because I doubt if these are the documents that I am sure he has in mind. In view of those facts and the previous two hour and 40 minute debate which took place on this subject matter on another analogous motion, perhaps the hon. member would consider withdrawing the motion.

Mr. Frank Howard (Skeena): Mr. Speaker, in view of the unique reply of the minister as compared to what he has said on other occasions, perhaps this motion could stand until I consider his suggestion.

Mr. Speaker: Is it agreed that this motion should stand?

Some hon. Members: Agreed.

Motion stands.

EXTERNAL AFFAIRS

VISIT TO OTTAWA BY SOUTH VIET NAM DEPUTY PREMIER

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 will inform the house as to the purpose of the intended visit of the deputy prime minister of South Viet Nam to Ottawa and—

Mr. Howard: Mr. Speaker, I wonder if I might rise on a question of privilege to indicate that a page boy has just come in with a request that all the doctors in the house now go outside, as their services are needed immediately.

Mr. Bell (Saint John-Albert): They have gone.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Will the Prime Minister say whether this visit has anything to do with negotiations regarding the situation in Viet Nam, or will he indicate the reason for this visit?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister has suggested that I might deal with this question. Mr. Bui Diem had intended to come here as a member of the South Vietnamese delegation to the world veterans conference held in Canada recently. Something happened with regard to his arrangements and he could not come to the conference. He has indicated that he would like to come next week, and I have told him I would be very glad to see him.

Mr. Diefenbaker: Is there any particular subject to be discussed or is this just a visit on the part of this gentleman, without any political connotations?

Mr. Martin (Essex East): I hope that when he does come we will have an opportunity to exchange views, but what precisely he has in mind I am not aware.

Inquiries of the Ministry

HEALTH AND WELFARE

MEDICARE—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to congratulate the Minister of National Health and Welfare on the statement he made yesterday with respect to the commencing date of July 1, 1967, for a medicare program. I believe this statement reflects great credit on the minister and his colleagues, and I am sure it will be a source of great encouragement to all people in Canada who have been anxious to see a medicare program undertaken.

Can the minister give the house any clear idea as to when the legislation for this program will be introduced? Will it be this session, and if so will it be this summer or this fall? Has the minister any clear idea of the approximate date when it will be submitted to the house?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I am hoping and planning to have the legislation brought before the house certainly before any summer recess.

Mr. Douglas: A supplementary question, Mr. Speaker. With reference to the minister's statement yesterday regarding medical training and medical research, which would be provided for under the health resources fund, I would ask the minister whether provision for this fund will be included in the medicare legislation, or will separate legislation be introduced for this purpose?

Mr. MacEachen: It is expected and planned to have a separate piece of legislation covering the health resources fund, and I hope it will be possible for the house to deal with the three major social security measures at about the same time, namely the Canada Assistance Plan, medicare and the health resources fund.

Hon. E. D. Fulton (Kamloops): I have a supplementary question, Mr. Speaker. It has been a little difficult to hear in the chamber and my question may have been covered. If so, I apologize; but in case it has not, may I ask the minister, with respect to his statement of yesterday, what further discussions are arranged or intended with the provinces with a view to obtaining their consent or expression of opinion with regard to the implementation of the medicare program by July 1, 1967.

Inquiries of the Ministry

Mr. MacEachen: Mr. Speaker, no further formal discussions are planned at the present time. At the last conference of ministers held in January, four provinces gave a clear indication, as I recollect, of their intention to be ready on July 1, 1967. Since then several provinces, through statements made in provincial legislatures, have indicated their intention to proceed by that date. As I recollect, only two or three provinces at present have not—

Mr. Speaker: Order, please. I hesitate to interrupt the minister, but there are so many conversations in the house that it is very difficult for the Chair, and I am sure for hon. members, to follow either the questions or the replies which are being made. I ask the co-operation of hon. members to concentrate on the question period.

Mr. Diefenbaker: Mr. Speaker, I think much of the conversation—

Mr. MacEachen: Mr. Speaker, perhaps I may complete my reply.

Mr. Diefenbaker: —would be cleared up if the—

Mr. Speaker: Order, please. I understand the minister had not completed his reply.

Mr. MacEachen: Mr. Speaker, may I just complete my reply to the hon. gentleman by saying that there remain several provinces which have not given any indication, to my knowledge, either in the legislature or elsewhere, as to their intentions. But I hope the advance notice given yesterday will enable all provinces to be in a better position to plan their future course of action.

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Has the government of Quebec or its representative stated at that meeting in January on the health insurance scheme the position of the province, at the time, and has the Quebec government since then communicated a different attitude on this matter?

[*English*]

Mr. MacEachen: At the general meeting the representative of the province of Quebec, the minister of health, expressed a favourable view on this matter. I understand that any final communication to the federal government was pending a study to be made at the session of the Quebec legislature.

Hon. Marcel Lambert (Edmonton West): The minister mentioned the beginning of the summer recess. Does he mean that he expects this house and the other house will have considered and dealt with the government proposals, including any possible public hearings, by that time?

Mr. MacEachen: Yes, Mr. Speaker, with respect to these social security measures I hope the house will be able to deal with them before the summer recess.

Hon. D. S. Harkness (Calgary North): I was going to ask, Mr. Speaker, if the proposed legislation will provide that Alberta or any other province which does not desire to enter this scheme will be able to opt out of it without any financial loss.

Mr. MacEachen: There will be no provision in the legislation for that contingency, Mr. Speaker.

Mr. Speaker: It seems to me that the questions which are being asked now are of an argumentative nature and are not in order at this time.

HOUSE OF COMMONS

DEATH OF MAN IN BOMB EXPLOSION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the reason for the conversation in the chamber is the current report that someone has just passed away within the precincts of the House of Commons. I suggest to the Prime Minister, and I do so in the desire the house should not be carrying on under these circumstances, that it might be worth considering that this house should adjourn.

Right Hon. L. B. Pearson (Prime Minister): It appears that there was a bomb explosion in the washroom at this end of the third floor and that a man has been killed, under circumstances which are not yet quite clear. There has been a good deal of damage done to the washroom and a certain amount of confusion is natural. Perhaps my right hon. friend's suggestion should be adopted and the house could adjourn until four o'clock, when the situation will be cleared up and we can resume.

Mr. Speaker: Is it agreed that the house suspend its sittings until four o'clock?

Some hon. Members: Agreed.

At 3.05 p.m. the sitting was suspended.

SITTING RESUMED

The house resumed at 4 p.m.

Mr. Speaker: Order, please. The house will now resume the business interrupted at 3.05 p.m.

Mr. Frank Howard (Skeena): It may be early to ask for a report, but I wonder if the Solicitor General could report upon or comment about the events which happened just prior to the adjournment?

Hon. L. T. Pennell (Solicitor General): I have no statement to make at this time, Mr. Speaker. I understand that the R.C.M.P. and the Ottawa city police are co-operating in this.

PUBLIC WORKS

PERFORMING ARTS CENTRE OTTAWA—PROCEDURE IN CALLING TENDERS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I had intended to direct my question to the hon. Secretary of State. I wish to direct it now to the Minister of Public Works because he is at hand. Can the minister explain why the lowest bid with respect to the centre for the performing arts was some $23 million more than the original cost agreed to by the government when the project was originally conceived?

Mr. Speaker: Order, please. It seems to me, from the way the question is asked, that the hon. member is asking for an expression of opinion. The question cannot be accepted in that form.

Mr. Thompson: As a supplementary question, and rephrasing the question I previously asked, may I ask the minister why the bid opened today was nearly $32 million, as compared with the original $9 million?

Mr. Speaker: Order, please. That kind of question cannot be accepted. It may be that the minister wishes to make a statement for the benefit of the house; but certainly, a question such as this cannot be accepted.

Mr. Thompson: A supplementary question. May I ask the minister if this is a fact?

Hon. G. J. McIlraith (Minister of Public Works): No, Mr. Speaker, it is not a fact. The premise on which the hon. member has put the questions he has been attempting to ask is not right. The figure of the low bid is correct. The bids are being checked through now.

[*Translation*]

[*Later:*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a supplementary question to the Minister of Public Works.

Is it true that only a few designated contractors could submit tenders and that public tenders were not called in connection with the construction of the building?

[*English*]

Mr. McIlraith: There was a call from a selected list of contractors, 31 of which were indicated as capable under what is known in the construction industry as prequalification, which list was worked out by the Canadian Construction Association in conjunction with the federal authorities. All these contractors who were thought to be of a size, with the necessary organization to do that scale of job, were invited to qualify. From my recollection, and I am answering this question without notice having been given there were some 31 contractors originally asked if they were interested and capable of qualifying. When it came down to the time when the bids were finally called there were some five or six bids put in.

I can get precise information on that whole subject. If hon. members wish to formulate their questions and give me notice, I would be very glad to give any information I could on the subject.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the minister a supplementary question, Mr. Speaker. With respect to the bids, were they sealed, and were they publicly opened?

Mr. McIlraith: Yes, Mr. Speaker.

HEALTH AND WELFARE

MEDICARE—INQUIRY AS TO LEGISLATION

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. I realize that my question may have been answered before the sitting was suspended but in the confusion it was difficult to hear what was being said.

My question is with respect to the medicare and health resources fund legislation. Did the minister say that it was the government's intention simply to get that legislation before the house before a summer break, or is it the government's hope that we shall get it passed before we break for a summer recess?

Hon. A. J. MacEachen (Minister of National Health and Welfare): We hope to get it passed.

Mr. Knowles: A supplementary question, Mr. Speaker. Can the minister say by what date he plans to have these items of legislation on the order paper?

Mr. MacEachen: Mr. Speaker, I have had previous experience with the hon. gentleman with respect to deadlines. I do not intend to fall into that same trap today.

Some hon. Members: Oh, oh.

Mr. MacEachen: I do hope to proceed as quickly as possible with the matter, and certainly within some weeks.

Mr. Starr: You will probably filibuster it.

Mr. Knowles: Mr. Speaker, that was before an hour had seven days.

[*Translation*]

LABOUR CONDITIONS

QUEBEC—SUMMER WORK FOR STUDENTS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I direct a question to the Minister of Citizenship and Immigration? I would like him to pay a little attention to it. Besides, I asked the Minister of Labour the same question yesterday.

In view of the numerous applications which we are getting from students looking for summer work, has the minister issued any directives to the officials of the employment offices to work actively in order to find jobs for students during the holidays?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, no special directives have been issued this year. The employment offices look after finding jobs for students because they are asked to.

[Mr. Knowles.]

Now, as far as the government here is concerned, the Civil Service Commission looks after that, and that is all the information I can give the hon. member.

Mr. Caouette: Mr. Speaker, may I direct a supplementary question to the minister?

In view of the fact that foreign labour will come over to help pick the fruit crop in southwestern Ontario and that we are getting applications from students to do that kind of work, would the minister be in a position to tell us if his department will take steps to help our students work at picking the fruit crop.

Mr. Marchand: Mr. Speaker, when the hon. member states that students are ready to help pick the fruit and vegetable crop, I would like him to assure me that he is making more than a general statement.

Mr. Caouette: Then, if I send the minister the letters I am getting, I am sure he will take care of them.

[*English*]

HIGHWAY SAFETY

DISCUSSIONS RESPECTING PRODUCTION OF PROTOTYPE SAFETY CAR

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): My question is directed to the Minister of Industry. I should like to ask him whether officials from the state of New York are meeting with officials of the National Research Council in order to arrange for co-operation with Canada in the building and production of a prototype safety car.

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

[*Translation*]

CANADIAN NATIONAL RAILWAYS

REQUEST FOR TEXTBOOKS IN FRENCH LANGUAGE

On the orders of the day:

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I wish to ask the Minister of Transport a question dealing with a letter I have just received from the vice president of the C.N.R. about the signalling courses.

Could the Minister of Transport tell us if it is true that there is no French translation of the manual used by the C.N.R. to give the signalling courses?

Will the minister take the necessary action so that bilingualism will be respected within that crown corporation?

Mr. Speaker: Order. That question should be put on the order paper.

Mr. Gauthier: Mr. Speaker, I ask that this question be discussed at ten o'clock.

AGRICULTURE

BUTTER—DESTINATION OF SHIPMENT DESTROYED IN MONTREAL

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct my question to the Minister of Transport. It stems from a report published recently in the newspaper *La Terre de Chez Nous*.

Could the minister tell us to whom the 6 million pounds of butter stored in the Montreal shed which was burned down recently were being sent?

Mr. Speaker: I would suggest, if I may, that the hon. member put his question on the order paper.

Mr. Caouette: Ten o'clock.

[*English*]

NEWFOUNDLAND

PROVISION FOR ADDITIONAL FINANCIAL ASSISTANCE UNDER TERM 29

The house resumed from Monday, May 9, consideration in committee of the following resolution—Mr. Pearson—Mr. Tucker in the chair:

That it is expedient to introduce a measure to give effect to term 29 of the Terms of Union of Newfoundland with Canada and to pay to the province, out of the consolidated revenue fund, in the fiscal year commencing on the 1st day of April, 1967 and in each and every fiscal year thereafter, an annual amount, by way of additional financial assistance as contemplated by term 29, of eight million dollars.

Mr. Flemming: Mr. Chairman, by the terms of the resolution we are presently considering we are asked to give our approval to the introduction of a measure giving effect to term 29 of the Terms of Union of Newfoundland with Canada and, in accordance with those terms, to pay to that province the sum of $8 million each year by way of additional assistance out of the consolidated revenue fund of Canada.

I favour the resolution and I shall vote for it. It will be the statutory implementation of a portion of the understanding by which Newfoundland became the tenth province of Canada. Coming as I do from one of the Atlantic provinces and in view of the fact that the province of Newfoundland is one of the others, I have no hesitation in saying that I have a special personal interest in any statute designed to benefit any province in that group.

Having a special interest, I can say to the house that I remember well the feeling of satisfaction which we in New Brunswick had when the Terms of Union with Newfoundland were arrived at in the year 1949, even though we constituted the opposition party in the New Brunswick legislature. It was our feeling at that time—and subsequent events have proved we were right—that the entry of Newfoundland into Canada was going to be of special benefit to the provinces on the Atlantic seaboard, which up to that time had been known as the maritime provinces and which, with the entry of Newfoundland into the confederation, became known more properly as the Atlantic provinces.

After 1952, when we were favoured with a greater degree of responsibility in New Brunswick than previously, we frequently became associated on an official, personal and, I believe, friendly basis with Premier Smallwood of Newfoundland and members of his cabinet. Our relationship was on a most cordial basis and we found ourselves willing and anxious to work together with Premier Smallwood as well as with the other premiers of the Atlantic provinces.

I learned from Premier Smallwood at first hand the importance he attached to term 29 and it is of more than passing interest that the commission which was appointed as a result of term 29 was headed by the chief justice of New Brunswick, Hon. J. B. McNair. I am not sure when the commission was appointed, but I do not believe they had reported or, at least, that any action had been taken on their report, prior to the change in government here in Ottawa which took place in 1957. The Minister of Transport has quoted the recommendation of the royal commission in his speech recorded in *Hansard* on page 4917, and it reads as follows:

Accordingly we recommend additional financial assistance as follows:

(d) for the fiscal year beginning April 1, 1960, $8 million less the transitional grant of $350,000,

(e) thereafter $8 million per annum

Since the Minister of Transport has quoted term 29, I do not propose to weary the house by quoting it again, but I think it should be

mentioned that this royal commission was set up for the purpose of determining what had been the result of Newfoundland's becoming a province of Canada, to review the financial position of the province of Newfoundland and to recommend the form and scale of additional financial assistance which would enable it to continue public services at the levels and standards reached subsequent to the date of union, without resorting to taxation more burdensome, having regard to capacity to pay, than that obtaining generally in the region comprising the maritime provinces of Nova Scotia, New Brunswick and Prince Edward Island. I believe the grants under this award have been paid to Newfoundland since the date mentioned, April 1, 1960.

I could recite the many times the government of New Brunswick came to Ottawa between the years 1952 and 1957 with a request for special financial assistance in the form of special adjustment grants. I see no reason for doing so at the moment. It was a source of great satisfaction to all of us, and this certainly includes the premier of Newfoundland, when the government of Canada led by my right hon. leader, after it assumed office in 1957, decided to make available to the Atlantic provinces the sum of $25 million per year beginning in the year 1958, I believe, and passed the necessary statute authorizing payment of same.

I am sure it is of some interest to the house to know how such an amount was divided among the four Atlantic provinces. We were told at that time that our financial advisers in each province should get together and agree on an acceptable distribution. They met in Halifax and spent several days discussing the matter. I naturally received frequent reports of their deliberations and the points raised by representatives of all the provinces. Out of those discussions came a recommendation to their respective governments that the $25 million per year special adjustment grants be made to the Atlantic provinces on the basis of $7,500,000 each to Newfoundland, Nova Scotia and New Brunswick, and $2,500,000 to the province of Prince Edward Island.

This is the basis on which the amounts were finally awarded and this arrangement continued for a period of four years. In the year 1962, the special adjustments grants were increased by the government of that day by $10 million, and the increased amount has, of course, been continued by the present government. It is of interest to know that the total amount since that date has been $35 million per year divided on the basis of $10,500,000 each to Newfoundland, Nova Scotia and New Brunswick, and $3,500,000 to Prince Edward Island. It was always my opinion, and I have expressed it publicly, that the action of the province of Nova Scotia in agreeing to this percentage division was extremely generous in view of their larger population. I still think this is true, and I repeat those words today.

[Mr. Flemming.]

• (4:20 p.m.)

The premier of Newfoundland was very conscious and appreciative of the special adjustment grants passed by the Conservative government in 1957. He said so to me on many occasions. I also was very pleased with them. I still am, and I expect to continue to be. So, we find the request of the government of Newfoundland that legislation be passed by which the terms of union shall be met. It is transmitted to this house in the name of the Prime Minister, and obviously it is the wish of the government to comply with it.

It has been said in this debate previously that we are quite prepared to pass the resolution, and then the bill will be before us in all its detail. Our party is prepared to agree to what in this particular matter the province of Newfoundland considers to be in its own best interest. It is on this basis that these remarks are made.

[*Translation*]

Mr. Grégoire: Mr. Chairman, the resolution we have before us provides for the payment of an annual grant of $8 million as financial assistance to the province of Newfoundland. We have no objection to helping provinces who need assistance. But while a decision is being made on the amount to be awarded to Newfoundland, the federal government should remedy an abnormal situation which exists in that province: It is that, with the assistance of the Privy Council in London, Newfoundland has succeeded in stealing part of the territory of Quebec, namely Labrador.

Mr. Chairman, if we are to shower gifts upon Newfoundland, the Canadian government should begin by seeing to it that something belonging to Quebec is returned to Quebec. I see that the Minister of Transport (Mr. Pickersgill) is smiling, but I believe if he were to look into the manner in which this decision has been rendered and interpreted, he would realize that it is highly irregular and involves serious inequities.

Mr. Chairman, the province of Quebec has previously laid claim to such part of the

territory as belongs to it and which does not belong to Newfoundland. The federal government should take the measures required to correct the situation and return what belongs to Quebec.

It is not my intention to say more. Before voting $8 million to Newfoundland, I ask the government to return Labrador to Quebec. We do not oppose aid to Newfoundland.

The Deputy Chairman: I regret to interrupt the hon. member. I should have done so earlier. The hon. member is not speaking on the subject matter of the resolution and I would ask him to confine his remarks to the subject of the resolution.

Mr. Grégoire: With all due respect, Mr. Chairman, I am giving the reasons why I am objecting to this. When we are called on to cast a vote, we are entitled to give our reasons why we vote as we do. If we object to a gift of $8 million being made to Newfoundland, it is not for objection's sake, it is because we object to taking from the taxes of the people of Quebec an $8 million gift to turn over to a province that has stolen a part of our territory. On this point, I am perfectly in order. I shall record my total opposition to such an $8 million gift as long as the province of Newfoundland shall withhold this territory.

[*English*]

The Deputy Chairman: Is the hon. member for St. John's East rising on a point of order?

Mr. O'Keefe: Yes, Mr. Chairman. My point of order is that it is scarcely parliamentary for an hon. member to suggest the word stolen in connection with the award made by the Privy Council, at that time the highest court in Canada and in the British Empire.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Grégoire: The reason put forward is that the province of Quebec has been deprived of part of its territory, with the complicity of the Privy Council in London.

The Deputy Chairman: I ask the member for Lapointe to confine his remarks to the contents of the resolution before us. I ask him to do his utmost to relate his remarks to the resolution and not to another problem which may exist at the present time but which does not concern the resolution before the committee.

Mr. Grégoire: I will simply specify the reason why I object to it. Let the province of Newfoundland come back on the right track and restore to others what it took from them and we will not object to the request for $8 million.

As long as Newfoundland keeps a territory which does not belong to it, I will object to charity being made to those who stole part of the territory, of the wealth belonging to the province of Quebec. That may not suit everyone. Then let us read again the award made and the way it was interpreted, and at that time, the province of Quebec—

[*English*]

Mr. O'Keefe: On a point of order, Mr. Chairman, I would like to suggest that bringing Labrador back to Canada was one of the many gifts Newfoundland brought to Canada, not Quebec.

[*Translation*]

Mr. Grégoire: Mr. Chairman, it was not given back to the province of Quebec even though the latter was entitled thereto and we object—

An hon. Member: Hear, hear.

Mr. Grégoire: I am pleased to note that the Minister of Mines and Technical Surveys (Mr. Pepin) agrees with me. As will be reported in *Hansard,* he said "hear, hear". I would like him to express his opinion on this matter.

Mr. Pepin: He put forth the same argument three times. We had understood.

Mr. Grégoire: Do you accept?

Mr. Pepin: No, we had understood.

Mr. Grégoire: Is the minister afraid to speak his mind? He is afraid to do so because he knows that our present demands—

Mr. Pepin: Mr. Chairman, I must rise on a question of privilege.

I abide by judicial decisions; I feel the only way to challenge a judicial decision is before a court of justice.

Mr. Gauthier: Are there any courts of justice in Canada? They are courts of injustice.

Mr. Grégoire: Mr. Chairman, I conclude my remarks, by saying that we object to granting $8 million out of Quebec taxes to those who stole part of our territory.

[*English*]

Mr. Thompson: Mr. Chairman, I am very grateful to the hon. member for Victoria-Carleton for the statement which he made outlining the situation as he sees it, with Newfoundland as part of the Atlantic provinces and their vital connection with Canada. I also appreciate his own experience in these things because I do not have first hand knowledge of how these things came to pass. But there is one thing which concerns me, and that is the perpetuity aspect of this legislation.

As I interpret it, the decision we are being asked to make is to last forever, somewhat like as long as the sun shines, the rain falls and the grass grows. If the decision was recommended in the first instance by the royal commission, then why was it that when the original legislation was passed, I think in 1961, it had a limited term of five years, now necessitating further consideration of it?

Mr. Pickersgill: If I might be permitted to answer that question, Mr. Chairman. There was a controversy about that question, in the house at that time, and those of us who now occupy the treasury benches took very strong exception to the course that was taken at that time because we maintained that the McNair award was part of the terms of union, was part of confederation itself, just as every Albertan maintains that the transfer of resources, in 1930, from federal to provincial jurisdiction was part of confederation so far as Alberta is concerned.

• (4:30 p.m.)

That is precisely the reason we take the view that this should be permanent and why I welcome so warmly the words of the hon. member for Victoria-Carleton today. I had hoped that, in this house now, everyone would agree that this award was a part of the terms of union, a part of confederation, and that we all could agree unitedly to give recognition to what every Newfoundlander and I hope most other Canadians, would feel was part of the constitution of Canada. That is the reason I am very grateful to the hon. gentleman, who said at the beginning of his remarks that he had nothing to do with these earlier transactions, for giving me the opportunity to make this explanation.

Mr. Thompson: May I make one further statement, Mr. Chairman, relating to the answer. I have read these recommendations of the royal commission, and although I am only an observer I do not gather that their recommendations were to go on in perpetuity. The reference to natural resources I think is quite another thing, because that did not include Alberta alone but rather related to every province including Newfoundland; at least it has come to be recognized as such by all the provinces, including Newfoundland.

It seems to me, however, that the value of the dollar depreciates and $8 million may not be adequate in the future because $8 million today is not equivalent to $8 million in 1949. Furthermore, there may come a day when, with the tremendous resources which exist in Newfoundland, that province may be the most wealthy province in Canada. It seems to me that an indefinite period or perhaps 10, 15 or 20 years would be more in line with what I interpret to be the recommendation of the royal commission. To one who is not personally familiar with the matter and who was not present at the time of union or at the time when the recommendation of the royal commission resulted in the legislation which set this for a five year period, it seems strange that this thing should go on, just as the treaties signed with the Indians, for years and years and forever.

Mr. Pickersgill: I should like to say a few words in appreciation of what has been said. Without entering into any controversial matter, I think I should like to say there was one word used by the hon. member for Lapointe which I do not think should be left on the record without a correction. This is not suggested as aid or as a payment because of need; this is a statutory subsidy, just like the statutory subsidies which were in the original act of confederation and those which were revised in 1906. I say this to meet the point of the hon. member for Red Deer, because I think all of us who represent Newfoundland would have wished that the royal commission report might have suggested escalation, but it did not. All those constitutional subsidies are in dollars and their value has fallen; but that is just one of the facts of the constitution. I should not like anyone to think this is charity when in fact it is justice according to the constitution.

Mr. MacLean (Queens): Mr. Chairman, I have a few words to say on this, but I intend to be as brief as I can. To begin with, I should like to say that I approve wholeheartedly of the resolution as far as it goes, as does everyone in this party. A great obligation rests equally on both parties in respect of Newfoundland's

joining confederation, because agreement was arrived at by Canada on the one hand and an independent colony on the other. This agreement is part of the terms under which they decided to join Canada. Of course there is a moral obligation which rests on the federal government to make certain there is the same equality of opportunity to Canadians everywhere in Canada.

In that context Newfoundlanders are now Canadians and are deserving not only of the letter of the terms of the agreement by which they joined confederation, but also the spirit of the agreement as well.

I believe it should be remembered that Newfoundland at the time it joined confederation in many respects was in an unfavourable position compared to the standards to which other Canadians had been accustomed for many years. Newfoundland was lacking in what we might call—to use that terrible word—infrastructure; it lacked colleges, schools, roads, harbour facilities, and many other things which had been built up in Canada ever since 1867. There was a good deal of catching up to be done. For a number of years after the original confederation there was a portfolio in the government called the secretary of state for the provinces. When Newfoundland joined confederation I regret that that portfolio was not revived for a few years. I believe we should have had a secretary of state for Newfoundland to integrate and bring up to date all of the things which had to be done with regard to Newfoundland, so that it could have all the privileges and standards which existed in the rest of Canada.

I do not wish to leave the impression that this is a one-way bargain. I think that in the rest of Canada it is not fully recognized that not only was the entry of Newfoundland into confederation a good thing for Newfoundland, but also an excellent thing for Canada. I do not think this has been appreciated sufficiently in the rest of Canada. Newfoundland provides a market for a great range of manufactured goods. These goods are exported from the older part of Canada to Newfoundland. On the other hand, nearly everything Newfoundland produces and sells, such as fish—

Mr. Pickersgill: And newsprint.

Mr. MacLean (Queens): —newsprint, pulp and paper products, and minerals, it has to export to foreign countries. Newfoundland contributes a great deal to our balance of payments situation. The obligation of course is a moral one, and I am delighted to see any steps taken which will make it as permanent as possible. As has already been pointed out; however, any legislation we pass in this house, theoretically at least, could be repealed by some future parliament; we cannot bind future parliaments.

It is the principle of the moral obligation which we must recognize as being permanent so long as Canada exists as a nation and so long as Newfoundland exists as a province of that nation. There is a danger, however, I think when we try to make the obligation permanent in a legal sense. I believe there is a danger that we may detract from the spirit of the agreement. In 1957 the royal commission recommended that for the first year $6.4 million be paid. The next amount was $6.95 million, then $7.3 million, then $7.65 million, and finally from the fiscal year 1961-62 and thereafter $8 million a year.

I do not believe we should think that the commission was able to look into the future and come up with a magic figure. I think the problem facing the royal commission was that they could make a reasonable assessment for the first few years, but after that they could not say what the appropriate amount should be.

• (4:40 p.m.)

They picked the arbitrary figure of $8 million. I think this implies that there should be a review of this matter. As has already been pointed out the value of $8 million in terms of the economic situation in 1957 was much greater than now. In view of the fact that this is a permanent type of agreement any amount fixed at any time will have a different value when compared to different economic situations which normally occur. This is true when the value of the dollar increases or decreases.

For these reasons I sincerely recommend to the Minister of Transport that he and the government give consideration to the suggestion that the spirit of the recommendation made in 1957 be followed by raising the amount from $8 million to $10 million in order that the real value intended can be given to this program at this time. I am sure if the minister will move such an amendment hon. members on this side of the house will support it.

Mr. Thompson: Mr. Chairman, I return to my original suggestion. I do not disagree with the remarks of the hon. member who has just taken his seat, but would it not be better to

have a periodic review made of the amount to be paid, because even though $10 million may now be of the same value as $8 million was in 1957, it will be of more or less value in 1975? I cannot understand why this agreement was not made in a more effective way when the legislation was first passed.

Mr. Pickersgill: Mr. Chairman, much as I would like to accept the seductive suggestions put forward by the hon. members for Queens and Red Deer, it would be impossible to do so because this would require a message from the crown. We should remember that we are trying to carry out the Terms of Union which, in my view, are related to statutory subsidies. As a representative of a Newfoundland riding I should be delighted if we could get some special acceleration for that province, not given to Prince Edward Island; but if I were a Prince Edward Islander I would have some doubt about its fairness.

There might have been a lot to be said, perhaps, for having acceleration provisions included in the constitution, but such provisions were not included in 1867 or in 1948. That result has been effected through tax sharing and equalization payments, rather than in the constitution. In my thinking this is a fair way of dealing with this kind of problem.

At the risk of seeming to suggest that less should be given Newfoundland than hon. gentlemen opposite have suggested, I am going to say that I believe that Newfoundlanders are asking only for justice. I believe they are asking for a strict adherence to the constitutional agreement of 1948 rather than for favours. They believe, being part of Canada, that the constitution must be adhered to and, in addition, as the hon. member for Queens put it so well, that they should be given an opportunity, like all other Canadians, to share in the advantages of living in this wonderful country. I believe that all Newfoundlanders, with few exceptions, are proud to belong to this country.

Resolution reported and concurred in.

Mr. Pickersgill (for the Prime Minister) thereupon moved for leave to introduce Bill No. C-185, to give effect to term 29 of the Terms of Union of Newfoundland with Canada.

Motion agreed to on division and bill read the first time.

[Mr. Thompson.]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, since the bill is practically in the same terms as the resolution I am wondering whether there might be a disposition in the house to give it second reading at this time.

Mr. Knowles: Mr. Speaker, normally I would respond to the blandishments of the minister, but some of us would like to give further consideration to that clause having to do with the fact that the bill cannot be amended except under certain conditions. Because of that constitutional point, I think we should have an opportunity of seeing the bill.

Mr. Pickersgill: Mr. Speaker, the bill contains nothing of that sort, but I think the hon. member's request is reasonable.

VOCATIONAL AND TECHNICAL TRAINING

PROVISION FOR ALLOWANCES TO PERSONS BEING TRAINED

Hon. Jean Marchand (Minister of Citizenship and Immigration) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting allowances to persons being trained under technical and vocational training programs, and to authorize the entering into agreements with the provinces in connection therewith; and to provide further for certain changes incidental thereto in connection with the administration of the Unemployment Insurance Act.

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

[*Translation*]

Mr. Marchand: Mr. Chairman, it is a great honour for me to bring before the house this resolution preceding a bill to increase training allowances for unemployed workers and certain other classes of workers.

I believe, Mr. Chairman, that our modern industrial society is very pleased with the improvements in industrial production techniques, which result in a greatly increased productivity and in the enrichment of society as a whole.

However, we must keep in mind that in this process of improving production techniques, some people are affected; this means that workers who have been trained for an industry or techniques which are now obsolete, find themselves, sometimes at an early age, without jobs and facing an indefinite unemployment.

[*English*]

The resolution introduces a measure which concerns the crucial problem of the retraining and further training of our labour force. As the Economic Council of Canada has pointed out, there is a need for a major effort to improve the skills of existing members of the labour force, and one of the reasons why existing training programs have not been used to a greater extent is the inadequacy of present training allowances. The measure with which this resolution is concerned is intended, among other things, to assist provincial governments to remedy this defect.

• (4:50 p.m.)

I think it is impossible to overemphasize the importance of training in today's rapidly changing world. Many of us know from our own experience and that of an increasing number of others that our skills and knowledge can quickly become out of date. New situations and new needs almost constantly test our ability to adapt and adjust in the dynamic working world of today.

Many people have enough basic education and broad skills to be able to meet these challenges, but a distressing proportion of adults in this country do not, and so become unemployed or are threatened with the loss of their job. There is another important aspect to this urgent problem. The Economic Council of Canada has documented very fully the training gap which exists in Canada as compared to the United States, and has shown its influence on income levels in the two countries. This training gap must be narrowed if we are to achieve our own goals of economic and social development and if the qualifications of those now in the labour force are to catch up with the needs of tomorrow's employment.

We will not solve these problems unless the community as a whole takes a new attitude toward the importance of training. We all have to recognize that rapid change and growth must lead us to regard training as a normal and productive part of people's working lives. When we all recognize this, we will have gone a long way toward overcoming the inhibitions of those who have the least self-confidence and the greatest need for training. We must therefore raise the status of training. There are many factors that influence status, but certainly pay is one of the most important. That basic fact is recognized in the measure proposed in this resolution. In effect it equates training with work rather than with unemployment and welfare.

The essential purpose of the proposal is to break the connection between training and unemployment. Up to now, unemployed workers who went into training courses have continued to receive unemployment insurance benefits during training. These benefits are deducted from the training allowances otherwise provided, so that the allowances are in effect merely a supplement.

Thus people up to now have had to use up their unemployment insurance protection while in training. On occasion, if they cannot obtain a job immediately after completing their course, they find themselves with no benefit at all or with their protection greatly reduced. They may find themselves worse off than if they had not taken training but had stayed inactive for a time and then got a job. I believe this is wrong. It treats training as equivalent to unemployment rather than to work. It penalizes a person for taking training, whereas we should offer him an incentive. It lowers, instead of raising, the whole status of training.

The measure proposed in this resolution breaks the dependence of training on unemployment insurance. It provides that any unemployed worker who enters a training course covered by a federal-provincial agreement will be entitled to a training allowance and will retain intact his unemployment insurance benefit and contribution rights. When he leaves such a training course, he will have exactly the same amount of unemployment insurance protection as when he entered, even if the training course is as long as two years in duration.

Hitherto the incomes of people in training have come partly from unemployment insurance, if they were entitled to such benefits, and partly from training allowances. The benefits are financed from the federal unemployment insurance fund. The allowances are paid by provincial governments but the federal government reimburses 90 per cent of the expenditure.

Obviously this financial system has to be changed when the connection between training and unemployment insurance is severed. The proposed measure will in effect substitute for unemployment insurance a basic training allowance for which the federal government will reimburse the provinces 100 per cent. The amount of this proposed basic allowance will be $35 a week. In effect, since training courses are normally 35 hours a

week, it is a minimum rate of a dollar an hour for training. It replaces unemployment insurance for trainees. It will be available to people in training courses if they have previously been unemployed or if they are referred to training courses when they have previously been self-employed in primary industries such as farming, fishing or logging. In addition, the federal government will continue to reimburse the provinces for 90 per cent of training allowances in excess of the basic $35 a week.

The amount of these additional allowances is a matter for each province to decide in accordance with its own needs, wage levels and priorities. The rules governing the supplementary allowances will therefore be determined in the agreements negotiated with each province. We propose to fix a maximum supplementary allowance of $55 a week, which with the basic $35 would mean a total allowance of $90 a week.

At the federal-provincial conference at which we discussed this matter last January, there was general agreement among provincial ministers as to the desirability of increasing the level of allowances. We anticipate that the maximum total allowance of $90 a week will be paid to trainees with a number of dependants living in the relatively high-wage areas of the country. Lower scales will be provided where wage levels are lower, and there will probably also be variations according to whether the trainee lives at home or has to be away in order to attend his training course.

In negotiating the agreements with us, each province will be able to decide whether its needs are best met by a uniform scale of allowances for the province or, as may be the case in the larger provinces particularly, by regional variations in the scales. We will be willing to support any reasonable system providing variations according to family circumstances and living costs, provided the total allowance is never less than the basic $35 and that the supplement in which we share does not exceed a maximum of a further $55 a week. This flexibility means that it will be possible for the total allowances everywhere to accord to training the importance it deserves without, however, being distorted in relation to wage levels in different areas.

• (5:00 p.m.)

As was made public at the time, we discussed the outline of these proposals with provincial ministers last January, and my officials have had further discussions with their officers over recent weeks. All provinces are in sympathy with this measure.

I would like to summarize, then, what this measure is intended to do. It will make possible substantially increased training allowances for unemployed workers and for self-employed people who are under-employed in the primary industries. It will provide a basic training allowance of $35 a week for everybody in this category, the cost of which the federal government will bear completely. It will provide additional allowances as deemed appropriate by the provinces, of which the federal government will pay 90 per cent to an agreed maximum amount. It will preserve the unemployment insurance rights of workers during the training period. It will thus break the identification of training with unemployment. It will recognize the status that training ought to have in our contemporary industrial world.

In short, I feel that this proposal will be a significant help in giving training the importance it ought to have, in response to the needs of modern technology and the requirements of a modern economy. Most important of all, it will give individual workers the encouragement and the practical opportunity of upgrading their basic knowledge, of replacing obsolete skills, and of strengthening existing qualifications. Higher incomes and better working careers will be the result for the individual, while greater economic and social growth will be the result for the nation.

We have many other tasks to accomplish, but this measure will carry us forward to an important degree toward our goal of developing and fully utilizing the great human resources of our country.

The Deputy Chairman: Order. It is my duty to interrupt these proceedings so that the house may proceed to the consideration of private members' business.

Progress reported.

Mr. Speaker: The house will now proceed with the consideration of private members' business as listed on today's order paper, namely notices of motion and public bills.

Mr. Stanley Knowles (Winnipeg North Centre): The first notice of motion on the order paper, Mr. Speaker, is in the name of the hon. member for Vancouver-Kingsway (Mrs. MacInnis) and both she and the parliamentary secretary who would respond to it

would like it to stand over. I wonder if the house would consent that this be done and that this motion be treated as though it had not been called?

Some hon. Members: Agreed.

CRIMINAL CODE

AMENDMENT CONCERNING POSSESSION OF MOTOR VEHICLE MASTER KEY SETS

Hon. Marcel Lambert (Edmonton West) moved:

That, in the opinion of this house, the government should consider the advisability of an early amendment to the Criminal Code of Canada making it an offence, punishable by fine or imprisonment or both, to in Canada manufacture or distribute or be in possession of motor vehicle master key sets, or import the same into Canada, save by the manufacturer or the assembler of the said motor vehicles or by such person or persons duly authorized by the said manufacturer or assembler.

He said: Mr. Speaker, the subject matter of my motion this afternoon is not exactly world shattering. I suggest, however, that the impact on the population of Canada of what I am trying to get at could be very great. We all know that every year thousands of motor vehicles are stolen from the streets, from garages, some to reappear but many to disappear forever. The loss to private individuals, corporations and the insurance companies with whom the owners of these motor vehicles have theft insurance mounts into the hundreds of thousands of dollars, perhaps millions every year.

What I am trying to do is to prevent at least a portion of this loss as a result of what is now being introduced into Canada, to which the general public has access, so that we can cut down on these occurrences. I am not holding any brief at all for the motorist who is foolish enough to leave his car parked on the street or in an unlocked garage with the keys in the ignition. He is inviting trouble. Nor is what I am going to suggest going to guard against the man who is going to break into a vehicle and either use a steel wire or some other form of contact with the ignition to get the car going. What I am getting at is something that has come to the attention of Chambers of Commerce, the Association of Chiefs of Police of Canada and to the All Canada Insurance Federation as a result of advertising which has appeared in eastern Canada.

Actually, these advertisements were brought to the attention of my correspondent by the Better Business Bureau of Edmonton. I am referring to advertisements which have appeared in the cheaper type of pulp magazines and publications. I have a photostat copy of an advertisement which appeared in a United States publication, but in actual fact the Canadian operation is merely that of a distributorship. In any event, this advertisement reads as follows:

Attention: Auto dealers, police agencies, locksmiths, banks and finance companies, wreckers and body shops, hardware and parts companies, collection agencies, parking garages, towing garages, etc. Need master keys?

Keys to fit all Fords, Lincolns, Mercuries, $3.

Keys to fit all Ramblers and Americans, $2.

Keys to fit all Chevies, Pontiacs, Oldsmobiles, Cadillacs and Buicks, $3.

Keys to fit all Plymouths, Chryslers, DeSotos, Dodges, $3.

$11 total buys all four sets postpaid.

There is an address given in Florida. The advertisement in the Canadian publication is headed up as follows:

Master key sets.

A priceless addition to the tools used in the automobile business. In the next year if you lose one sale over lost or misplaced keys, they will have paid for themselves many times over.

This is the first Canadian supplier selling key sets, hence no duty to pay or customs brokerage.

Three keys to open all Ford Motor Company products, $5.

The price has gone up in Canada.

Three keys to open all Ramblers and Americans, $4.

Three keys to open all Chrysler Motor Company products, $5.

Six keys to open all General Motors Company products, $5.

Keys will operate ignition on most cars and trucks now in existence.

Special, if you buy all four sets pay only $15.

Ontario residents please add 3 per cent sales tax.

• (5:10 p.m.)

These sets are available, through an outlet which I will not name, in Oshawa, Ontario. At the bottom of the advertisement are these words: "We do not sell to individuals". However, Mr. Speaker, the employees of All Canada Insurance Federation had no difficulty in obtaining key sets, as individuals, from this source. Other persons have also obtained key sets.

I now wish to read from an article appearing in the Vancouver *Province* of January 5, 1966. It says:

A one-man operation in eastern Canada which offers a legalized, if unwitting, aid to car thieves, has no parallel in Vancouver as far as police are aware.

But detectives here said Tuesday they are certainly interested in the business in Oshawa, Ont., that offers a set of master keys to unlock and start all North American-made cars for $15.

The report further says:

"We had a flood of literature here on the west coast about a similar sort of operation based on Florida," said a spokesman for Vancouver city police stolen auto squad.

"Since then we have been in touch with police in Florida and have quietly investigated the matter".

My reason in bringing this resolution forward has to do with the inquiry made by the Association of Police Chiefs in Canada of the postal authorities of Canada as to whether there is any way of stopping the distribution of these key sets. The association feared that the investment of $15 needed to buy these key sets would yield handsome dividends to even a minor car theft ring.

We all know that those who wish to steal a car have to do a number of things to it before they steal it. Time is taken by a person endeavouring to get in a car, in tinkering with it. During that time he may be discovered. But if one is in possession of a master key set, and if he can go up to any Chevrolet, Pontiac or Chrysler or, in fact, any automobile made in North America, and just open the door and drive off, the chances of apprehension are exceedingly small. In addition, when the automobile later has to be disposed of there are no signs that the law has been broken; there are no signs of unlawful entry through the breaking of a small vent window, or of damage to the rubber alongside those windows.

My motion seeks to make the possession, manufacture or distribution of these key sets an offence under the Criminal Code. I have not mentioned what section shall be amended. I simply ask the government to consider the advisability of amending the code. In parenthesis, might I suggest that the sections of the code to be amended might be those dealing with the theft of motor vehicles, or those dealing with such offences as having in possession a motor vehicle without consent of the lawful owner.

What I am getting at is that it should be illegal and punishable both by fine and/or imprisonment to manufacture, distribute, or actually be in possession of a motor vehicle master key set, or to import the same into Canada, save by the manufacturer or the assembler of the said motor vehicle, or by such person or persons duly authorized by the said manufacturer or assembler to have those keys.

[Mr. Lambert.]

In any town or city of Canada police authorities ought to be in possession of a master key set to be used with respect to motor vehicles. For instance if a motorist is unfortunate enough to lose his keys, he might refer to the principal garage, or to the principal agency or police authority in the community and, after properly identifying himself to the representative of the garage, agency, or police authority, have his motor vehicle opened without the necessity of breaking the lock. After that he could either have a new key made, or have a new lock with keys furnished to him.

This sort of thing is permissible under the resolution. The persons helping the motorist would be those who are duly authorized to be in possession of key sets by the manufacturer or assembler. I do not want to make it more inconvenient for motorists to obtain lawfully duplicate keys to the locks of their cars, after they have lost the original keys. Nor do I want motorists to be put to the additional expense of having to break locks.

I am sure, having regard to the representations of the Better Business Bureaux, they would agree with the aims of the resolution. Certainly the All Canada Insurance Federation would agree with the aims of the resolution. I have correspondence from that body addressed to representatives of the insurance branch of the Edmonton Chamber of Commerce, to this effect.

I have sought the opinion of the postal authorities with respect to these keys. Those authorities acknowledged that they had been approached by the Association of Police Chiefs, when the chiefs had their annual convention last year. The postal authorities informed the police chiefs that there was nothing illegal about the manufacture or distribution of key sets by individuals. Therefore the postal authorities could do nothing about controlling the distribution. On the other hand, if it were an offense under the Criminal Code to manufacture, distribute or import such key sets, or such master key sets, except where those actions were authorized by the manufacturer, assembler, or other persons authorized by such manufacturer or assembler, the postal authorities could stop the distribution.

It was pointed out that the key sets were advertised as being available on a C.O.D. basis. Therefore those sending the key sets were utilizing the mails for the transmission and distribution of such master key sets. I do not wish to belabour the point, Mr. Speaker.

While the subject matter I have spoken about for the last 15 minutes is not the most important subject matter in the ambit of government business, yet it is one of those matters with which we should concern ourselves. Suppression of these key sets will assist us in the maintenance of law and order. This resolution will not eliminate car thefts, but it will make it more difficult or, at least, it will not make it any easier, to steal cars if we can ban the indiscriminate sales of such master key sets.

I have no idea how many key sets have been sold. I have not had any indication from the police whether people they have apprehended in car thefts have been found in possession of such master key sets. That is immaterial. What we must do is stop dissemination of these sets from the very beginning. There is a legal use for such master key sets. Certainly, there is a much wider illegal use. It is against that illegal use that this resolution is aimed. I ask all hon. members in this house to support the resolution.

Mr. Hubert Badanai (Fort William): The resolution reads:

That, in the opinion of this House, the government should consider the advisability of an early amendment to the Criminal Code of Canada making it an offense, punishable by fine or imprisonment or both, to in Canada manufacture or distribute or be in possession of motor vehicle master key sets, or import the same into Canada, save by the manufacturer or the assembler of the said motor vehicles or by such person or persons duly authorized by the said manufacturer or assembler.

• (5:20 p.m.)

On reading this resolution one could immediately come to the conclusion that the question is one capable of a simple remedy by merely amending the Criminal Code—that merely by amending the code the problem would be solved. Like all proposals of a remedial nature this sounds plausible until you come up against the difficulty of enforcing the law without undue hardship to a lot of other people.

I appreciate the intention of the hon. member who moved this motion; I am sure he is to be commended. But I wonder whether the resolution in its present form is really the answer. Nevertheless I congratulate the hon. member for bringing this matter to the attention of parliament. It may have a salutary effect in the country when people hear about it. However, it seems to me that, as is the case when we consider the enforcement of automobile safety, this is a problem capable of no easy solution.

I should like to point out that when 7 million cars are on the highways of Canada there are bound to be duplicate keys available to fit cars shipped to different parts of the country. Manufacturers do provide duplicate keys for automobiles. Moreover, there is no difficulty whatever in having such keys made by any locksmith or at any garage. To my knowledge automobile manufacturers do not produce motor vehicle master key sets. What they do manufacture are the keys that go with the car, and duplicates of the same. As a matter of fact, manufacturers make cars with locks which are exactly the same on a great number of vehicles shipped to different parts of Canada.

How likely is it that the prohibition of master keys by law would reduce the number of car thefts? The great majority of drivers today are careful. They are properly trained and capable of looking after their own vehicles. But some accidents do happen. Again, when one considers the number of vehicles on the road—7 millions on the highways of Canada—he can only expect that a great number of duplicate keys would be available to provide service for car owners.

It is true, as the hon. member pointed out, that many cars are stolen every year. But I would remind him that it is not necessary to have a key in order to steal a car. As a matter of record, the largest number of thefts of vehicles is accomplished without the aid of keys. You do not need a key in order to steal a car. All you need do is to pull out some of the ignition wires and join them together.

Duplicate keys are made available for the benefit of the automobile owner who happens to lose one. I dare say that there are many members of this house who at one time or another have lost a car key and found it necessary to go to a garage or to a locksmith to have a new one made. All that is required is a knowledge of the number stamped on each key. I honestly believe that before we embark on the introduction of an amendment to the Criminal Code to make it an offence to be in possession of a duplicate key or a master key, call it what you will, we should consider the difficulties which would be imposed on automobile owners should they happen to lose their own keys. I suggest that before we do anything rash we should give this question further consideration.

It is all very well to seek to bring in amendments to the Criminal Code covering various offences. But we should also be mindful of the way in which such amendments

might conflict with the best interests of the majority of the people affected. As I say, I commend the mover of this motion, but as one who knows something about the automobile business—and I have been in this business for a great number of years—I cannot support the motion in its present form.

• (5:30 p.m.)

I am all for the protection of car owners, of course. I should like to see every thief who tries to steal a car put behind bars. I have seen a number of them and I have no brief for them at all. At the same time, let us be practical. I repeat, I admire the hon. member's regard for the welfare of automobile owners. Every time I hear someone speak on behalf of automobile owners my heart goes out to him, because for many years I made my living selling automobiles, and I still have a little interest in that business. Therefore I can say that, though I appreciate the intent of the motion, and commend the mover of it, nevertheless I would not be fair to myself, knowing something about the business, if I were to say that I support the motion in its present form.

I hope the hon. member will have an opportunity to give this matter more serious consideration. If he does, in all probability he will come up with something which would be more in line with the reality of the situation with regard to the theft of automobiles. The best thing we can do at present is discuss the motion, and perhaps at a future date, following greater study of the case, we will be able to support it.

Mr. Max Saltsman (Waterloo South): Mr. Speaker, it is a great pleasure for me to rise this afternoon in support of the motion of the hon. member for Edmonton West (Mr. Lambert), although I must admit that when first looking at the formidable preamble to the motion, it did not appear very interesting. Since I had some work to do in my office I was on my way out of the chamber, but I did catch some of the hon. member's remarks and they raised some very intriguing questions.

He has an excellent point when he indicates that some protection should be afforded the car owning public from this sort of advertising and the easy availability of keys of this type. I think the hon. member for Fort William (Mr. Badanai), when he pointed out the difficulties that would be encountered by car owners, may have been overstating the case because we do have legislation at present whereby if you are caught in somebody's

[Mr. Badanai.]

house at one o'clock in the morning, with a jimmy in your hand, and you say you are there to look for termites, you wind up in the hoosegow. Therefore I think a great deal depends on where one is found with these instruments, and at what time he is caught.

Our laws are fairly reasonable, in the sense that it would be simple enough to determine whether these keys are in proper or improper hands. Naturally the hon. member for Fort William has a concern, because of his connection with the automobile business. I too have some concern, having latterly been in the laundromat business. The spectre of laundromat keys being easily obtained by every citizen in this country does not arouse any particular enthusiasm in my breast.

I was interested in the remarks of the hon. member for Edmonton West at the conclusion of his statement, and I felt he was rather deprecating the importance of the issue he brought before us today because, just as the atom bomb indicated war was no longer safe with that type of weapon at the disposal of armies, the same thing applies when keys of this type are easily available. There does not seem to be much point in any of us bothering to lock our cars any more. The only solution may be to have a massive return to honesty.

However, I am quite serious in my support of the motion when I hear that such advertisements are permitted to be published in Canada, and that nobody takes a look at the implications of this type of advertising, the kind of thing it can lead to and the kind of encouragement it provides for those who already have sufficient inducement to break the law. For that reason it would be most valuable to pass this motion tonight, amending the Criminal Code to indicate that we do not approve of this type of material being made available to everyone although, as the motion points out, those who have a legitimate purpose for the possession of such keys would still be free to have them. I certainly commend this motion to all hon. members.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to take this opportunity to say a few words on this resolution moved by the hon. member for Edmonton West (Mr. Lambert).

When I saw this motion on the order paper I was amazed to find how easy it was to obtain means of trespassing on other people's property. Before reading this notice of motion, I did not know that master keys were available to anyone who wanted them.

I congratulate the hon. member for Edmonton West (Mr. Lambert) for putting this resolution before the house. I hope hon. members will accept the suggestion that this resolution be referred to a committee for consideration or actually passed in order to amend the Criminal Code to do away with this state of affairs. I do not believe it will solve all problems. There are many other ways to steal a car or rob somebody.

I own a car and I do not like to see anyone getting into it as easily as that. I also own a home, and I am pretty sure nobody here or elsewhere in Canada would want anyone to obtain keys and enter any house.

Mr. Speaker, I feel the motion moved by the member for Edmonton West should be considered and passed so as to correct a situation which unfortunately exists in Canada.

[*English*]

Mr. R. K. Andras (Port Arthur): Mr. Speaker, I would like to join with other hon. members in commending the hon. member for Edmonton West (Mr. Lambert) for presenting this motion to amend the Criminal Code. As he explained, it is designed to prevent entry into locked vehicles and the theft of cars and trucks. On the surface such an amendment to the Criminal Code could be considered as a step toward making the committing of such crimes more difficult.

• (5:40 p.m.)

The question which arises in my mind, as has been pointed out by the hon. member for Fort William (Mr. Badanai), concerns the practical application of such an amendment and the enforcement of this addition to the Criminal Code. Also I think perhaps one point has been lost sight of and that is the original purpose for the designing, manufacturing and supplying of master key sets. Most certainly it never was set up to make it easy for car theft criminals to practise their nefarious occupation. This item was brought forward for a very practical use by those engaged in the manufacture, sale, repair, and servicing of cars and trucks.

In his amendment the hon. member has suggested that in addition to the manufacturer or assembler of motor vehicles being authorized to be in possession of master key sets, the authorization also would include—and it is a bit vague—such person or persons duly authorized by the said manufacturer or assembler. By coincidence I too have had some several years experience both at the manufacturing and retail end of the automobile business. I, perhaps, can give you some indication of the practical and quite legitimate use of master key sets by the people who are engaged in this type of business.

Most certainly it would be logical to extend permission and authorization for possession to such people as the authorized dealers throughout the country, of which there are several thousand. It would also be most logical to extend permission and authorization for possession of master key sets to all the service and repair garages throughout the country; it would be most logical to extend this type of authorization to service stations. You could add to that police officers and agencies engaged in the rental or leasing of vehicles, or those engaged in the legitimate sales occupation involved in the merchandising of used vehicles. These occupations all involve legitimate and practical application of master key sets.

Let me give you an example of what happens when one is engaged in a business which carries a stock of a wide diversity of makes, models, and years of cars and trucks. We have a tough climate in various parts of this country, where the weather gets very cold. In the business where such a stock is carried, each vehicle has to be started and operated every day to keep it in goood condition. This means that someone has to carry the keys to each individual vehicle in the process of going through a stock of 60, 70, or in some cases 100 or 150 cars in the course of a morning.

You can imagine the number of keys this person would have to carry with him were he not authorized to have master key sets. Of course this extends to all the other legitimate users such as authorized dealers, service stations, and all those engaged in the repair of automobiles and trucks. I do not think anyone would deny it would be legitimate to authorize these people to have key sets, and by the time you had added up the number of people who legally should be in possession of them, you would have literally thousands and thousands of agents and individuals throughout this country.

As the hon. member for Fort William pointed out, duplicate keys can be cut in several places in practically every town, village and city. They can be duplicated on machines which are quite inexpensive to obtain. I submit that the determined vehicle thief can find ways to steal vehicles without

keys. He does not need door keys or ignition keys if he is determined to steal vehicles. Naturally any legislation which makes it more difficult to obtain master key sets also would inhibit such criminals to some degree; but nevertheless I think—and this is where the problem lies in the amendment—the law would be most difficult to enforce and it certainly would not be long before contraband duplicate master key sets could be obtained by anyone who seriously desired to obtain them.

For this reason, although the intent is most commendable, I really cannot see any benefit in this amendment in respect of preventing vehicle thefts by organized groups of professional criminals. Most certainly such people would have little or no difficulty in obtaining master key sets. Again, at first glance it would seem that it would make it much more difficult for the type of person who probably could be described as a casual, impulsive thief, and the danger of thefts by this type of person might be diminished. But how many vehicle thefts result from the use of master key sets; how many of these master key sets are or ever will be in the possession of the type of person who might be a casual thief? I submit that such determined types as those who now possess such keys still would find it possible, indeed quite easy, to obtain them.

I am all for any practical and enforceable law which will prevent crime. However, I am always a little concerned about the addition to existing laws or laws which are not practical and which perhaps are very difficult to enforce. I sincerely feel that this suggested amendment falls into that category. I believe it probably has a great deal more psychological than practical effect. Unfortunately, I feel I should bring to your attention also the tremendous inconvenience this would cause to those persons who are engaged in the manufacture, sale, repair and servicing of vehicles, who legitimately require these master key sets. In this connection I think I would have to describe it as being about ten pounds of prevention to provide half an ounce of cure.

Again I commend the hon. member for Edmonton West for the intent in his amendment, but in its present form I would find it difficult to support this motion.

Mr. Lambert: Mr. Speaker, may I ask the hon. member a question. In his criticism of the motion he indicated that it would be rather difficult to prove that the possession of these keys was with the intent to commit a theft and that it is difficult to indicate how many cars would be stolen by the use of this type of master key set. Does the hon. member not realize that the Criminal Code contains provisions which prohibit the carrying of burglary tools. We do not know how many burglaries are going to be committed by the use of these tools, yet we still make it an offence to have burglary tools in one's possession.

• (5:50 p.m.)

Mr. Andras: I appreciate the comment of the hon. member for Edmonton West, but I think he has somewhat misconstrued my argument. I am saying simply that there are many legitimate agencies which should be authorized to have possession of master key sets, such as the authorized manufacturers, their dealers, the independent garages, repair garages, and so on, because their operation is so diversified that it is necessary to reduce the number of keys which they have to carry on any given occasion, which arises quite often. I extend that by saying that by the time one completed authorizing all the people who are entitled to possess such keys there would be thousands of keys issued throughout this country. I do not deny the implication that the effect of this motion would make the possession of keys by unauthorized persons an illegal act, but I simply say that it would be impractical to administer and enforce.

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): I have listened with a great deal of interest to this debate, Mr. Speaker, and I have been impressed by the suggestions of the hon. member for Waterloo South (Mr. Saltsman) who preceded me in the debate. However, if this proposal were carried to an extreme I am sure it would result in the elimination of the use of the automobile. I must come to the conclusion that the intent of the hon. member for Edmonton West (Mr. Lambert), a westerner, is to render the automobile obsolete and restore horses to their proper place. I come to this conclusion since horses are synonymous with the west. This motion has obviously been devised on behalf of westerners in order to continue the role of horses.

An hon. Member: There could be worse ambitions.

Mr. Mackasey: I agree that the notice of motion moved by the hon. member for Edmonton West—

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

Mr. Mackasey: I am afraid time is too limited.

Mr. Barnett: Would the hon. member relate his remarks as well to the restoration of the musical ride?

The Acting Speaker (Mr. Rinfret): Order, please. The hon. member has not given his permission.

Mr. Mackasey: I will agree and give permission, allowing the question.

The Acting Speaker (Mr. Rinfret): First the hon. member disagrees and then he agrees. I recognize the hon. member for Comox-Alberni.

Mr. Mackasey: Mr. Speaker, I reserve the right to change my mind.

Mr. Barnett: I thought I had asked the question. I wondered whether the hon. member would relate his remarks to the restoration of the R.C.M.P. musical ride.

Mr. Mackasey: Mr. Speaker, perhaps that is the reason behind the motion, because when the R.C.M.P. loses its horses the automobile will take over completely and we may not see horses in Canada again.

I agree with the spirit of the motion, but I believe the hon. member is too skilled a lawyer to intend to introduce an amendment to the Criminal Code which could not be practical in application. I think basically that there is a flaw in the motion, as pointed out by the previous speaker, in that it is practically impossible to apply.

There are times when we all deplore the easy manner in which young people can steal automobiles. Every day we read statistics about this subject which point out that the greatest cause for automobile theft can be related to a habit common to most of us; that is, leaving our cars unlocked, even though we are only away for five or ten minutes. I am as guilty as anyone in this regard and have often locked my keys in my car. In order to get into the car I have imitated things I have seen on television and used a common clothes hanger, inserted through the side window, to open the door.

There is another difficulty which arises in respect of the issuing of master keys to authorized persons, and I have in mind service station operators and garage mechanics. These persons may leave their jobs and take these master keys with them. Under those circumstances, whose responsibility would it be to see that these keys were turned in? What would happen when an authorized person lost a master key and requested a new one? What would become of the key that was lost, or how would it be used by an individual who might find it lying on the street?

I think that by passing this motion we would add another cumbersome provision to the Criminal Code which would in a short time become superfluous, as many of the provisions are now. I believe the hon. member has accomplished his purpose in moving this motion by drawing attention to this flagrant type of advertisement that one reads in various periodicals.

Mr. Starr: Mr. Speaker, may I call it six o'clock and put an end to the hon. member's agony.

Mr. Mackasey: I believe that by advertising for sale sets of master keys to automobiles, young people are encouraged to use their imagination and end up getting into trouble, simply because they have been taught an easy way of gaining access to automobiles to be used for joy rides.

An hon. Member: Let us call it six o'clock.

Mr. Mackasey: I am sure the hon. member for Edmonton West does not regret that I am still speaking, although it is six o'clock, because he has accomplished what he set out to do. That is, he has pointed out the flagrant misuse of newspaper advertising by some people, through offering for sale master keys, and in this way placing an additional temptation before youngsters who may be inclined to steal cars for joy rides.

Mr. Starr: Hear, hear.

Mr. Mackasey: I appreciate the applause of the hon. member for Ontario, and I am sure he is a little wiser for having listened so attentively.

[*Translation*]

The Acting Speaker (Mr. Rinfret): Order. The hour allotted to private members' business has expired.

[*English*]

BUSINESS OF THE HOUSE

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the business of the house for tomorrow is as follows: on the assumption that

the bill relating to the implementation of term 29 of the agreement with Newfoundland will not take much time, we will proceed with it first, to be followed by a continuation of the debate on the resolution preceding the bill respecting allowances to persons being trained under technical and vocational training programs. If that is completed we will then proceed with a consideration of the estimates of the Post Office Department and the Department of Defence Production, and then the estimates of the Department of Industry.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, May 19, 1966

The house met at 2.30 p.m.

HOUSE OF COMMONS

STATEMENT BY MR. SPEAKER RESPECTING SECURITY PRECAUTIONS

Mr. Speaker: Following yesterday's disturbing occurrence many hon. members have raised with me the question of security in the parliament buildings. I believe that generally speaking the security precautions enforced in this building over the years have been entirely adequate.

As hon. members know, it is not easy to reconcile the enforcement of strict security regulations with the degree of freedom of access to the building and the galleries that the Canadian people have come to expect when visiting parliament. We must strive to achieve a reasonable balance between these two requirements of security on the one hand and public interest in the affairs of parliament on the other hand.

• (2:40 p.m.)

I will not suggest that the arrangements currently in force are perfect. It is quite possible that improvements could be achieved in some way without undue inconvenience to the visiting public. With this in mind the whole subject of security will be reviewed forthwith, and suggestions proferred by hon. members or by anyone interested in the matter will receive every possible consideration.

Some hon. Members: Hear, hear.

[*Translation*]

May I also pay a tribute to the sergeant-at-arms and the members of the security staff of the house. Too often we take for granted the devotion to duty of those employees. Yesterday, under extremely distressing and difficult circumstances, those employees proved their good judgment, their self-control and efficiency to an extent which honours them and justifies the confidence we place in them.

Some hon. Members: Hear, hear.

[*English*]

PRIVILEGE

MR. HOWARD—ARTICLE IN OTTAWA "JOURNAL" OF MAY 18

Mr. Frank Howard (Skeena): Mr. Speaker, I rise on a question of privilege which affects me and undoubtedly affects others as well. My question of privilege relates to an article in the Ottawa *Journal* of yesterday, May 18, written by Peter Jackson. The lead sentence may receive some modicum of support, because it starts by saying "Shame on you, Frank Howard!"

I might say that my question of privilege does not have to do with that first sentence. It has to do with the tenor of the article which quotes part of an editorial in the Omineca *Herald,* which is a weekly newspaper in my home town and constituency of Terrace and Skeena. The article relates to the Ottawa city streets, curbs, gutters and so on, and draws a comparison between the condition of the streets in my home town of Terrace as enumerated in this editorial, and the condition of the streets here in Ottawa. It says in effect, shame on me and undoubtedly on others who have similar conditions in their home towns and who have raised the matter of the deplorable condition of Ottawa streets.

I should like to say to the writer of the article, and any others, that they have grossly misunderstood and misinterpreted the whole concept of what we are trying to get at. I can assure hon. members that if they desire to move the capital of Canada to the community of Terrace, we will be overjoyed and you will have the most delightful street system in Canada there.

Mr. Speaker: There is no prima facie case of privilege. The one thing the hon. member might have complained of—the words "Shame on you, Frank Howard"—was not complained of by the hon. member, so I rule there is no question of privilege.

JUSTICE AND LEGAL AFFAIRS

Second report of standing committee on justice and legal affairs—Mr. Cameron (High Park).

Inquiries of the Ministry

AIR CANADA

TABLING OF REPORT ON WINNIPEG MAINTENANCE BASE

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I am tabling copies in English and French of the report of the commission of inquiry as to the future of the Air Canada overhaul base at Winnipeg international airport and related matters.

AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. E. F. Whelan (Essex South) moved that the first report of the standing committee on agriculture, forestry and rural development, presented to the house on Tuesday, May 17, be concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): For the same reasons previously mentioned, we still object to reduction of any quorum and ask that the motion be agreed to on division.

[*English*]

Motion agreed to on division.

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. E. F. Whelan (Essex South) moved that the second report of the standing committee on agriculture, forestry and rural development, presented to the house on Tuesday, May 17, be concurred in.

Motion agreed to.

INCOME TAX

APPLICATION OF REBATE PROVISION TO POWER CONSTRUCTION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Finance, asking him whether he is aware of the recent statement of Premier Lesage that construction of the Churchill Falls, Labrador, power complex will be undertaken shortly by Brinco and that the resulting power will be taken by Hydro Quebec. Can he also inform the house whether resolution No. 49, now standing on the order paper in his name, which provides for a 95 per cent income tax rebate, is being introduced in relation to this power complex?

[Mr. Speaker.]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the policy which this legislation will implement had been decided upon long before there was any discussion about Brinco and the Churchill Falls project.

Mr. Starr: I have a supplementary question. Will the provisions of the bill, and the power embodied therein, be applicable to this type of power complex that is being undertaken?

Mr. Sharp: Mr. Speaker, I do not know that it is in order for me to answer a question of this kind. In any event, this legislation would apply to all provinces on the same basis, and if it applies to Brinco and the project referred to it will apply because of the fact that it is located in Newfoundland, and for no other reason.

LABOUR CONDITIONS

BRITISH COLUMBIA—PAYMENT FOR WORK ON VICTORIA DAY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Labour, but in his absence perhaps I will direct it to his parliamentary secretary. Has the minister's attention been drawn to the fact that the British Columbia maritime employers association has applied to the courts to compel members of the longshoremen's union to work on May 23, which is Victoria day, at rates of pay which the employees claim are incompatible with the Canada Labour Code? Can the minister say whether he will order an inquiry into this matter under section 35 part V of the Canada Labour Code, with a view to ensuring full compliance with that code?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, if this matter has not already been drawn to the minister's attention I will be happy to see that it is in the near future.

Mr. Douglas: I have a supplementary question. Is the parliamentary secretary aware that the longshoremen's union requested such an inquiry on September 1 last?

Mr. Mackasey: Mr. Speaker, I am aware of a lot that goes on in the Department of Labour, but I am sorry to say that I do not know of this particular case.

[*Translation*]

MINES AND TECHNICAL SURVEYS

NORTHWESTERN QUEBEC—ASSISTANCE TO GOLD MINES

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I direct a question to the Minister of Mines and Technical Surveys?

As a result of communications and representations to provincial mining authorities, does he have a statement to make in the house in connection with gold mines of northwestern Quebec?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): No, Mr. Speaker.

[*Later:*]

Mr. Caouette: Mr. Speaker, may I put a supplementary question to the Minister of Mines and Technical Surveys, which I had no time to do because you recognized the hon. member for Red Deer (Mr. Thompson).

Are negotiations still underway with the provincial authorities of Quebec with regard to gold mines in the area of Val d'Or-Malarctic and Rouyn-Noranda?

Mr. Pepin: Mr. Speaker, I have drawn the attention of the provincial authorities to this problem and it is not for me to take decisions on behalf of the Quebec provincial authorities.

Mr. Caouette: No, but you can nevertheless prod them a little.

[*English*]

NATIONAL SECURITY

INQUIRY AS TO ESTABLISHMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, in the absence of both the Prime Minister and the Minister of Justice, and while our thoughts are directed to security, might I ask the Acting Prime Minister whether any decision has been arrived at as to when the commission on national security will be set up, which the Prime Minister has mentioned a number of times as being imminent?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, last week, I think it was, the Prime Minister was asked this question and said he would be making a reply some time later. I am not aware exactly when he proposes to reply, but I will call this question to his attention.

Inquiries of the Ministry

FINANCE

INQUIRY AS TO PUBLICATION OF TAXATION COMMISSION REPORT

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Minister of Finance. As it is reported in the press that the report of the Carter commission on taxation will be in the hands of the minister within a month, could the minister advise the house when he expects to make the report public?

Hon. Mitchell Sharp (Minister of Finance): I would expect to table it as soon as I receive it. I can see no reason now why it should not be made public at that time.

NATIONAL DEFENCE

NEGOTIATION WITH FRENCH GOVERNMENT RESPECTING MYSTÈRE AIRCRAFT

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of National Defence. There is a report that the Canadian government has been in negotiation or discussion with the French government with regard to the acquisition of a version of the Mystère aircraft. Can the minister advise the house whether, in the light of continuing requirements for a major aircraft, this is so?

Hon. Paul Hellyer (Minister of National Defence): There have been discussions, Mr. Speaker.

Mr. Lambert: I should like to ask a supplementary question of the Minister of National Defence. At what stage are discussions with the French government, and with regard to what version of the aircraft were those discussions held?

Mr. Hellyer: The discussions are now being carried on by my colleague the Minister of Defence Production. I cannot give my hon. friend the exact stage, Mr. Speaker, and unfortunately my colleague is not here at the moment.

AGRICULTURE

INQUIRY AS TO AMENDMENT OF CROP INSURANCE ACT

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I would like to direct a question to the Minister of Agriculture, but in his

absence possibly the parliamentary secretary could give us the information. Can the house be advised when the amendments to the Crop Insurance Act, which were promised in the Speech from the Throne, will be brought forward for consideration?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for Middlesex West for bringing this important matter to the attention of the house. It provides an opportunity to say that the Minister of Agriculture and the government are giving very thoughtful consideration to all the needs of the provinces in the preparation of a bill which we hope will be presented to parliament in the very near future.

AIR CANADA

WINNIPEG—REPORT OF INQUIRY RESPECTING MAINTENANCE BASE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Transport in connection with the Thompson report which he has just tabled. Will the minister advise the house whether that report recommends the retention in Winnipeg of the overhaul and maintenance base of Air Canada?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I have asked the officials in my office to send the hon. gentleman a copy of the report, which is a document of 175 pages without appendices, and I think it would be terribly presumptuous on my part to attempt to summarize it.

Mr. Starr: Particularly if you haven't read it.

Mr. Stanley Knowles (Winnipeg North Centre): As a supplementary question, Mr. Speaker, may I remind the minister that there are 14 members from Manitoba.

Mr. Pickersgill: I have also asked for a copy to be sent to the hon. gentleman.

Mr. R. K. Andras (Port Arthur): A supplementary question, Mr. Speaker, to the Minister of Transport. In view of some reports reaching me as to mounting speculation on this matter, could the Minister of Transport confirm that Air Canada will be establishing an air cargo terminal at the Winnipeg international airport?

[Mr. Thomas (Middlesex West).]

Mr. Pickersgill: The answer to that question, sir, is yes. It was announced yesterday by Air Canada and the premier of Manitoba that, entirely at the expense of Air Canada, a great new air cargo terminal is to be established in Winnipeg to come into operation next year, serving all the air lines that wish to avail themselves of it.

Mr. W. H. Jorgenson (Provencher): May I ask a supplementary question. Can the minister tell the house how many employees there will be in this air cargo terminal as compared to the number of people currently employed?

Mr. Speaker: Order. The question is argumentative.

[*Later:*]

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Transport. Now that the minister has tabled the Thompson report, would he tell the house when the decision on the future of the Winnipeg overhaul base can be expected?

Mr. Pickersgill: Mr. Speaker, I think it would profit all of us if we read the Thompson report first.

CANADIAN BROADCASTING CORPORATION

DISMISSAL OF PRODUCER OF COLUMBIA RIVER FILM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the minister who will be acting for the Secretary of State today. In view of the fact that Mr. Tom Conochie, producer of the very interesting Columbia river television film for the C.B.C., has been informed that he will no longer be producer of this film, and in view of the fact that residents of British Columbia consider this a magnificent film and some say that Mr. Tom Conochie can show the Ottawa bunch a thing or two about how to film a river story—

Mr. Speaker: Order. Will the hon. member kindly pose his question?

Mr. Herridge: My question, Mr. Speaker, is would the minister investigate the circumstances surrounding this further unfortunate incident in the life of producers employed by the C.B.C.?

Mr. Speaker: This question should be placed on the order paper.

POST OFFICE DEPARTMENT

NEWFOUNDLAND—REQUEST FOR COMMEMORATIVE STAMP

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I wish to direct a question to the Postmaster General. In view of the fact that Newfoundland and Labrador are this year having a come home year, when many thousands of Newfoundlanders and their descendants will be visiting our province, will the Postmaster General consider the preparation of a stamp commemorating this important event?

Mr. Speaker: Order. The urgency of the matter is not readily apparent. Perhaps the hon. member might like to put the question on the order paper.

Mr. Tucker: I think the Postmaster General is prepared to answer the question. We have only a few months left.

WATER RESOURCES

REQUEST FOR ANNOUNCEMENT OF ANTI-POLLUTION POLICY

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question for the Minister of Mines and Technical Surveys. I should like to preface my question by noting that the minister is scheduled to make a major address at the meeting of the Conservation Council of Ontario in Toronto next week. May I ask the minister if he intends to make any statement in the house concerning water resources and pollution prior to that time?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): I am delighted to bring to the attention of the hon. member for Parry Sound-Muskoka the fact that my estimates have been referred to a committee of the house. If he cares to look at the report of that committee he will find at least five or seven pages on that subject.

EXTERNAL AFFAIRS

PROTESTS RESPECTING BOMB TEST BY CHINA

On the orders of the day:

Mr. F. J. Bigg (Athabasca): I have a question for the Secretary of State for External Affairs. Have any protests been made by the usual anti-nuclear groups since the recent detonation of an atomic bomb by communist China?

Hon. Paul Martin (Secretary of State for External Affairs): I have had no such representations as yet.

TRADE

RUSSIA—INQUIRY AS TO NEGOTIATION OF NEW AGREEMENT

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is either for the Minister of Trade and Commerce or the Secretary of State for External Affairs. In the absence of the Minister of Trade and Commerce I shall address it to the Secretary of State for External Affairs. Can he tell us if the trade agreement with the Soviet union, which was ratified on May 12, 1965 and is now, I believe, being renegotiated, is being renegotiated on the same most favoured nation basis as the previous trade agreement? Does the existing agreement remain in force even though it has expired?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, until the agreement has been negotiated I do not think it would be correct for me to disclose the progress of the negotiations. They are under way.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, a supplementary question. Could the minister tell us whether the trade agreement which has been in effect will remain in effect until the new agreement is signed?

Mr. Martin (Essex East): Yes, Mr. Speaker.

NORTHERN AFFAIRS

STEPS TO CONSERVE ARCTIC WILDLIFE

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I have a question for the minister of northern affairs. Considering the urgent warnings in this morning's *Globe and Mail*, is the northern affairs department contemplating steps to prevent extinction by unrestricted hunting of Arctic wildlife, particularly polar bears?

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

FINANCE

INQUIRY AS TO SECURITIES AND EXCHANGE LEGISLATION

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I have a question for the Minister of

Finance. Could the minister advise the house what progress he is making in the preparation of legislation to bring all the stock exchanges in Canada under one set of rules designed to provide the maximum protection to the Canadian investor?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, plans are now being formulated for a meeting to discuss the security regulations or similar regulations of this kind in order to try to achieve greater uniformity among the provinces. The federal government has expressed its willingness to take the initiative here, and to take whatever action it feels would be necessary in the federal field.

Hon. Michael Starr (Ontario): A supplementary question to the Minister of Finance. I should like to ask the minister whether the government is considering putting into legislative form any of the proposals which are made in the book of which the author is the hon. member for Davenport?

Mr. Sharp: Well, Mr. Speaker, a great many of the matters mentioned in the book written by the hon. member for Davenport are now matters of law which have been introduced by this government. The hon. member has also put in his book a number of matters which are part of government policy. Undoubtedly they will be implemented.

FISHERIES

B.C. SALMON—REQUEST FOR REPORT ON NEGOTIATIONS WITH U.S.

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Minister of Fisheries and ask whether he is in a position to give the house a progress or any other kind of report about the meetings which are currently taking place in Seattle, Washington, between Canada and the United States over certain salmon fishery problems on the west coast.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, the meeting in Seattle is continuing today. We have been in daily touch with the Canadian representatives at the conference. I understand that Canada has proposed certain changes in the existing surf lines and that counter proposals have also been made by the U.S.A. representative, proposals which were not acceptable to the Canadian delegates. As I say, the meeting is under way, so I would prefer to wait for the return to Ottawa of the Canadian representatives before giving a final report to the house.

Mr. Howard: A supplementary question. Could the minister tell the house whether any of the proposals or counter proposals have have been made public?

Mr. Robichaud: Not to my knowledge, Mr. Speaker.

EXTERNAL AFFAIRS

SUGGESTED VISIT BY KING OF SAUDI ARABIA

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the events which have taken place in the Middle East in the last few weeks, and in view of the pending visit of King Faisal of Saudi Arabia to Washington, has the government asked or is it intending to ask King Faisal to visit Canada at the same time?

Hon. Paul Martin (Secretary of State for External Affairs): There have been no arrangements made for such a visit, Mr. Speaker.

IMMIGRATION

RECOGNITION OF PROFESSIONAL QUALIFICATIONS OF EUROPEANS

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, my question is directed to the Minister of Citizenship and Immigration. I ask the minister whether his attention has been drawn to charges which are made in this morning's *Globe and Mail* that university trained professional men and women from Europe are working in Canada as dishwashers, labourers and technicians because professional associations will not accept their credentials?

Mr. Speaker: Order. That question is not urgent and should be placed on the order paper.

CANADIAN BROADCASTING CORPORATION

REPORTED USE OF DRUG IN SCENE FOR "THIS HOUR HAS SEVEN DAYS"

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, may I ask the Acting Secretary of State this question. Have the Toronto police and the Royal Canadian Mounted Police completed their investigation into allegations

that drugs or pornographic films were involved in the C.B.C. documentary on youth; and is the Secretary of State in a position to clear the reputation of the producer of the film, Douglas Leiterman, and the director, Miss Beryl Fox, in that regard?

Hon. Léo Cadieux (Associate Minister of National Defence): I will take that question as notice, Mr. Speaker.

UNITED NATIONS

PROPOSED JURISDICTION OVER HIGH SEAS AND OUTER SPACE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Secretary of State for External Affairs. I should like to ask the minister whether the government has under consideration the proposal made by the United Nations Association in the United States that the United Nations take over ownership of the high seas and outer space, and use these resources as a source of independent—

Mr. Speaker: Order. I am sure the hon. member will agree that this question might very well await a reply on the order paper.

Mr. Barnett: I should like to give notice for ten o'clock, Mr. Speaker.

INQUIRY OF THE MINISTRY

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 northern affairs having to do with committee organization. In view of the pending reorganization of certain government departments, would the minister indicate whether eventually the committee structure of the house will correspond with his newly reorganized department, particularly with regard to the subject of Indian affairs?

Mr. Speaker: Order. It seems to me that this is a matter of rather general import, and I suggest to the hon. member that the question cannot be asked at this time.

NEWFOUNDLAND

PROVISION FOR ADDITIONAL FINANCIAL ASSISTANCE UNDER TERM 29

Hon. J. W. Pickersgill (for Mr. Pearson) moved the second reading of Bill No. C-185, to give effect to term 29 of the Terms of Union of Newfoundland with Canada.

• (3:10 p.m.)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we cannot simply accept term 29 just like that.

Yesterday, my colleague for the riding of Lapointe (Mr. Grégoire) clearly and rightly established that agreeing to grant the province of Newfoundland $8 million a year would not disturb us too much if the federal government or parliament were to recognize, first of all, that part of the province of Quebec was ceded to the province of Newfoundland by a decision of the Privy Council in 1927.

At that time, in 1927, outright discrimination was practised and here, Mr. Speaker, I ask for the attention of the members from Newfoundland. We, from the province of Quebec, must remain absolutely opposed to the annual $8 million grant to the province of Newfoundland as long as Labrador, which, geographically speaking, belongs to the province of Quebec, is not returned to that province as an integral part of its territory. Mr. Speaker, we cannot tolerate such discrimination, and when we request a vote for a period—

[*English*]

Mr. O'Keefe: On a point of order.

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. O'Keefe: Yes. I am suggesting that the hon. member for Villeneuve is alleging there has been discrimination by the highest court in the British empire, the Privy Council. I am also raising a question of privilege because yesterday afternoon the hon. member for Lapointe (Mr. Grégoire) on three different occasions accused the province of Newfoundland of stealing Labrador. Surely that should not be allowed in the House of Commons.

[*Translation*]

Mr. Caouette: Mr. Speaker, with regard to the question of privilege and point of order raised by the minister who represents a Newfoundland riding, the province of Newfoundland was not alone in stealing Labrador because the Privy Council stole it at the same time from the province of Quebec.

That is why there is still discussion and disagreement not only in the province of Quebec but in others about Labrador because, normally and geographically speaking, that

part of the country belongs to the province of Quebec and is part of it; the hon. member is perfectly aware of that.

Besides, such was the case before the province of Newfoundland was founded, when Labrador was part of the province of Quebec.

[*English*]

Mr. Pickersgill: I wonder whether the hon. gentleman is still speaking on the point of order, or whether he is ignoring it and carrying on with his speech. I say this because I should like to speak on the point of order.

Mr. Caouette: Go on.

Mr. Pickersgill: I would point out that this bill is exclusively concerned with one thing, namely the completion of the terms of union of 1948 which were adopted by the parliament of Canada in 1949. The subject the hon. gentleman is now seeking to debate is totally and completely irrelevant to the bill and has no connection with the bill or its subject matter.

I might also point out that whatever the hon. gentleman may think of the judgment of the Privy Council in 1927, both houses of the parliament of Canada adopted the measure embodying the terms of union and approved an address asking the parliament at Westminster to approve it. And in that address the province of Newfoundland was defined as it is now according to the laws of Canada.

I suggest to you, Mr. Speaker, that the hon. member is seeking to introduce into this debate something which is out of order because it is totally irrelevant to the subject before the house.

[*Translation*]

Mr. Grégoire: Mr. Speaker, on the point of order, I think that the remarks made by the hon. member for Villeneuve (Mr. Caouette) are fully in order since he was beginning to discuss the matter of Labrador, while at the same time explaining the reasons why he is against the bill.

I feel, Mr. Speaker, that each time members of the house are asked to vote, they are by this very fact allowed beforehand to explain why they will vote in such and such a way. That is precisely what the hon. member for Villeneuve is doing and that is why I submit that he is complying with the rules.

Second, the Minister of Transport (Mr. Pickersgill) has just explained that by accepting the decision of the Privy Council and approving the entry of Newfoundland into confederation in 1949, the House of Commons became the accomplice not only of the Privy Council but of those who stole Labrador from the province of Quebec.

[*English*]

Mr. Speaker: I have listened to the arguments submitted on this point of order. They are very interesting. I am in full agreement with the argument advanced by the Minister of Transport. If there is to be order in this house there has to be relevance of debate. This is a prime rule of procedure in the House of Commons; there has to be strict relevance to the matter at hand. I know this rule has not always been observed to the extent it should be, but in this particular instance there is no question in my mind but that the matter of the Labrador boundaries is not pertinent to the subject matter of this bill.

[*Translation*]

I took the remarks of the hon. member for Villeneuve as leading up to the speech he was going to make. That is why I let him proceed. I think he will admit readily that he must keep to the provisions of Bill C-185 now that he has reached the main part of his speech.

Mr. Caouette: Thank you, Mr. Speaker, I will abide by your ruling. I was discussing clause 2 of Bill C-185, and trying, as you say, to explain my opposition to the renewal of term 29 of the Terms of Union of Newfoundland with Canada. I understand why the Minister of Transport is objecting to my statements or remarks, but I remind him that in 1927, when a judgment was rendered by the Privy Council in London about Labrador, we had then a Liberal government in Ottawa and in Quebec. Well, not only the Privy Council and Newfoundland, but also the Canadian Liberal party contributed to deprive the province of Quebec of Labrador.

The Acting Speaker (Mr. Rinfret): Order. Like the Speaker of the house, I must remind the member for Villeneuve that he is now referring to a problem existing between the province of Quebec and Newfoundland, while the subject matter before the house concerns term 29 of the Terms of Union of Newfoundland with Canada adopted in 1949.

I would ask the member for Villeneuve to confine his remarks to the legislation before the house.

Mr. Caouette: Mr. Speaker, I thank you once again for calling me to order.

When the agreement was signed in 1949, I was a member of the house. When Newfoundland joined the other Canadian provinces, I was here and the Prime Minister of Canada was the Right Hon. Louis St. Laurent; it was not unanimously, but by a majority vote that Newfoundland was accepted within confederation.

Term 29 stipulated that Canada agreed to pay the sum of $8 million each year as from 1949. Well, Mr. Speaker, I want to call your attention to a very definite point relating to clause 2 of Bill C-185.

The province of Quebec contributes its share of the $8 million paid each year to Newfoundland. I think the Minister of Transport will admit the cogency of my assertion to the effect that we contribute our share, we, in the province of Quebec, of the $8 million paid each year to the province of Newfoundland.

We, in the province of Quebec, contribute our share of the $8 million paid each year to the province of Newfoundland. Well, we are against paying anything as long as our property, Labrador, is not duly restored to the province of Quebec.

The Acting Speaker (Mr. Rinfret): I regret to interrupt the hon. member for Villeneuve, but it seems that he is bent on speaking about the delimitation between the provinces of Quebec and Newfoundland, which is not the subject of the bill before us. The bill simply concerns ratification and confirmation of the agreement reached between the federal government and the province of Newfoundland. The hon. member for Villeneuve should confine his remarks to that subject matter.

Mr. Caouette: Mr. Speaker, I would like to be enlightened on one point. May I give the reasons why I am opposed to paying the $8 million we are now being asked to pass, or to continuing to pay Newfoundland? Do I have the right and privilege, as a member of the House of Commons, to give the reasons why I object to Bill C-185, and more specifically to term 29 of the bill?

Mr. Speaker, could you enlighten me on that point. Do I have the right to say why I am opposed to that bill?

Mr. Deputy Speaker: I thank the hon. member for Villeneuve for wanting to put questions to the Chair. We must deal merely with the question before the house. Reference must not be made to the present problem between Quebec and Newfoundland which was settled by a ruling of the Privy Council. The member for Villeneuve may make remarks about the amount of money the federal government is paying Newfoundland this year. That is the only question before the house at the present time.

• (3:20 p.m.)

Mr. Lambert: Mr. Speaker, on the question raised by Your Honour, I should like to point out with all due respect to the Chair that it behoves any member to put forward the reasons why he supports or objects to a bill. I share this opinion. However, while indicating the reasons for which the member is opposed to such a bill, he must not go into every detail of a dispute. He may set forth his reasons and discuss them sensibly, but in my opinion the member would be well advised to restrain himself and not to state the whole issue.

At present, a member cannot be restricted too much, otherwise the Minister of Transport (Mr. Pickersgill) would be totally silenced and that would be a disaster for him, but perhaps a relief for the house.

Mr. Caouette: Mr. Speaker, I thank the hon. member for Edmonton West for his interjection. I do not claim to be in a position, at the present time, to discuss the Labrador issue, but I use that argument to air my view on the continued payment of $8 million to Newfoundland in order to enable this province to remain part of Canada.

I understand the objection of the Minister of Transport. He comes from Newfoundland and when he defends that province, it is evident that it is only for a political purpose, to try to exert some influence in his province. I understand that. But we, from the province of Quebec, have more important reasons.

Allow me to point out, Mr. Speaker, that we are not in favour of the withdrawal of Newfoundland from confederation. No, we want Newfoundland to continue to exist within confederation. But one of the reasons for Newfoundland's persistence within confederation is precisely that term 29 of Bill No. C-185 under which Canada pays $8 million per annum to that province.

Did Quebec get $8 million per annum when Labrador was stolen, Mr. Speaker? And we are going to keep on paying $8 million to those who dispossessed us of Labrador which was our property?

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

Mr. Caouette: Certainly.

Mr. Laflamme: In view of the fact that the hon. member said a while ago that he was in the house in 1949 when the act providing for the union of Newfoundland to Canada was passed, can he tell us whether he made those points and whether he voted for or against this act?

Mr. Caouette: At that time, Mr. Speaker, we voted against the annual gift of $8 million.

Mr. Laflamme: Against the act?

Mr. Caouette: Everyone was satisfied with the Terms of the Union of Newfoundland with Canada. But we did discuss the act and even tried to amend some of its provisions when it was before the house. At that time, the hon. member for Quebec-Montmorency (Mr. Laflamme) was not here, but I was. So if the hon. member will be kind enough to look over *Hansard* for 1949, he will understand the discussion that took place on the annexation of Newfoundland to Canada. There were even some members who opposed the annexation of that province because they considered that Newfoundland would cost Canada too much for what we would get in return.

Today, Mr. Speaker, I am not saying that Newfoundland is costing more to Canada or brings in to Canada more that it is costing but I do say this: Newfoundland demands that we pay her $8 million a year. No other province asks that. But to be a part of Canada and to benefit from important services of ministers such as those of the Minister of Transport (Mr. Pickersgill), Newfoundland cannot foot the bill for its own administration without assistance from the other provinces.

That is not the point, Mr. Speaker. We are discussing term 29 of Bill C-185. We have no objection, as I said a moment ago, to Newfoundland being part of Canada, but as far as the representation from Quebec is concerned, and I appeal to the member for Quebec-Montmorency, as long as Newfoundland—

[*English*]

Mr. Pickersgill: May I ask the hon. gentleman a question? Would he say whether he took part in any of the votes in this house in 1949 when Newfoundland became a part of Canada?

Mr. Caouette: No. There was an election prior to Newfoundland becoming part of Canada and I was defeated in my own constituency.

Mr. Pickersgill: The hon. gentleman is wrong again. Newfoundland was united with Canada on April 1, 1949. The debates took place well before that. The hon. gentleman was a member of the house. I have been scrutinizing the division lists but so far as I can see he was not present to vote on one side or the other.

[*Translation*]

Mr. Caouette: Mr. Speaker, this is exactly what I was saying earlier. When the discussion took place at the time and when the union was effected, I was not here, but members of our party were, and the annexation was passed on division and not unanimously. The minister knows this. Let him find out, and let us keep from any inaccurate statement or information without knowing what is involved.

At that time, the minister was not in the house; he was a government official. They were the ones who organized the annexation and the government was using every means to induce Newfoundland to join Canada.

This brings me to say that we object to voting $8 million to Newfoundland and we shall object until the territory belonging by rights to the province of Quebec, namely Labrador, is given back to our province.

• (3:30 p.m.)

[*English*]

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, I should like to say a few words in respect of what was said a few moments ago and also in respect of some of the remarks made yesterday. I should like to refer particularly to the very helpful speeches made by the hon. member for Victoria-Carleton (Mr. Flemming) and the hon. member for Queens (Mr. MacLean) in which they both showed a very keen appreciation of the problems faced by Newfoundland and the Atlantic provinces generally. Their approach was both intelligent and sympathetic.

I should like to say that we in the provinces sometimes feel, with disappointment but not bitterness that the rest of Canada does not always recognize to what extent the Atlantic provinces contribute to the economy of Canada. In the Atlantic provinces we export nearly everything we produce. The produce of the sea, the land, the forests, and the mines is nearly all exported to foreign

markets. Tremendous quantities of goods are exported from the four Atlantic provinces and these goods are changed into the money of other countries which finds its way into the general economy of Canada since in the Atlantic provinces we buy nearly everything we use from the rest of Canada.

The tremendous amount of money which is funnelled into the Canadian economy through the Atlantic provinces makes a very great contribution indeed to the balanced economy of Canada. I think members from all over Canada, from the west, from central Canada, from the farm producing areas or the industrial areas, should realize that the Atlantic region, which at one time was the principal part of Canada but was surpassed over the years by other areas, nevertheless makes a real contribution to the economy of the country. The Atlantic provinces are on their way back; they are not worn-out provinces by any means. These provinces are now going through a renaissance, and any money spent by the Canadian government in developing the Atlantic provinces is an investment from which you will receive very real returns.

In respect of the statements made by the hon. member for Villeneuve (Mr. Caouette) and the hon. member for Lapointe (Mr. Grégoire) I submit, in a spirit of helpfulness, that what they really are discussing is redistribution. What they want to do is to make further changes in the boundaries of my district. I should like to place on the record this statement. They are not going to do it.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this matter having been the subject of debate today, may I say just a very few words. I should like to affirm the position I took when we were dealing with this legislation at the resolution stage. We support this measure. We think it is little enough that Newfoundland is asking, but we also feel that the good name of Canada is at stake. From reading the provisions of term 29 and from such studies as I have given to this matter it does seem to me that Canada would not be doing the right thing if it did not continue this provision for a statutory grant on a permanent basis. I hope, therefore, that the House of Commons will approve this measure.

I also wish to say that I think the Minister of Transport (Mr. Pickersgill), unwittingly or otherwise misled some of us by something he said at the resolution stage. I have read again what he said and I realize it is capable of having two meanings. Apparently I took the one which he did not intend to give, but it was there in the words he used. The meaning I took from what the hon. minister said, as recorded at page 4912 of *Hansard* for May 9 and developed a bit later, was that this measure once passed by parliament could not be amended except by the consent of the government of Canada and the government of Newfoundland. For that reason I asked to see the bill before it received second reading.

When I read the bill today I saw that the Minister of Transport had misled me, and perhaps some others, because what the bill provides is that the payments shall continue in effect from now on unless otherwise provided by any agreement in that behalf hereafter entered into between the government of Canada and the government of Newfoundland. I take it that any agreement the government of Canada and the government of Newfoundland might make hereafter would have to come before parliament. In other words, what I believe the hon. member for Carleton (Mr. Bell) and I were asking for at the resolution stage, namely, that parliament's control over parliamentary legislation be maintained, is protected by the terms of this bill. Therefore the query which I raised at the resolution stage has been satisfied. As I already have said, the measure is one that this parliament should pass and we support the bill.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, just a few words to mention also that I am against the motion for second reading of this bill, not because I object in any way to helping poor provinces, but rather because I am convinced that the vast majority of the citizens of Quebec also object to their taxes being partly paid to Newfoundland, as long as Labrador is not recognized as being part of the province of Quebec, as it should be. That is the reason why I am against the motion for second reading of this bill.

[*English*]

Mr. Pickersgill: Mr. Speaker, if I might say a word—

The Acting Speaker (Mr. Rinfret): May I remind hon. members that if the minister speaks now he will close the debate.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I should like to say one word in reply to my hon. friends from Villeneuve and Lapointe. I should like to remind them that

there would not be any Quebec had it not been for the Newfoundland soldiers who came there and raised the siege of Quebec, thus saving Quebec to become a part of Canada.

[*Translation*]

Mr. Grégoire: Mr. Speaker, in this connection, I would say that Canada would have fallen into the hands of the United States, had it not been for French Canadians who, in 1812, under the orders of Commander De Salaberry, turned back the American army; in fact Canada itself would not exist, but would simply be another American state.

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I think we all agree that Canada would not exist if we were not all here and the country was not all here, and I hope it is going to remain that way.

I must say that I find it hard to take very seriously the arguments of the hon. member for Villeneuve because he was here as a member of parliament in 1949 when Newfoundland became a part of Canada. There were three recorded votes that I have looked at in the *Journals* of the House of Commons for that period and I find that the hon. gentleman was not present to vote on any one of those three occasions.

[*Translation*]

Mr. Grégoire: I rise on a point of order, Mr. Speaker. The Minister of Transport (Mr. Pickersgill) knows the rules well enough to understand that he cannot make comments about a vote. That is what he is now doing, although he has been a member of this house for a long time. He should know the rules.

[*English*]

Mr. Pickersgill: Mr. Speaker, I think the hon. gentleman is mistaken. One cannot comment on a vote taken at this session, but this was in the parliament of 1949. I am not commenting on it; I am merely recording the fact, and I do not intend to say anything further in respect of it. I would not have raised the matter at all had it not been for the fact that the hon. member for Winnipeg South Centre (Mr. Churchill) suggested I may have misled the house. I wish to apologize if I—

Mr. Knowles: You had better apologize to the member for Winnipeg South Centre. It was the member for Winnipeg North Centre.

[Mr. Carter.]

Mr. Churchill: I would not have accused you on such flimsy grounds.

• (3:40 p.m.)

Mr. Pickersgill: I seem to be misleading the house now in my references to north and south. I certainly had no intention of misleading the house. I do not think this bill offends in any way the doctrine of parliament sovereignty. It is my view, and I believe it will be the view of the people of Newfoundland, that if this house decides by an overwhelming voice that this is a good bill this will be all the safeguard they will need from their fellow Canadians.

Mr. McCleave: Mr. Speaker, since I am apparently prevented from making the speech I intended to make because the minister spoke without any warning, I should like now to speak on a point of order and direct a question to the minister. I am sure his answer will satisfy my question. Is it the government's intention to undertake a periodic review of the amount of money set out in the legislation, perhaps every second year, because of inflationary and other factors, rather than having the amount continue on an indefinite basis?

Mr. Pickersgill: Perhaps I could answer that question when we are considering the bill in committee.

[*Translation*]

Mr. Grégoire: Could you call for the yeas and nays, Mr. Speaker?

The Acting Speaker (Mr. Rinfret): All those in favour of the said motion please say yea. And all those opposed please say nay. In my opinion the yeas have it.

Some hon. Members: Oh, oh.

Mr. Rinfret: Call in the members.

[*English*]

The house divided on the motion (Mr. Pearson) which was agreed to on the following division:

• (3:50 p.m.)

YEAS

Messrs:

Aiken	Béchard
Alkenbrack	Beer
Andras	Bell (Carleton)
Asselin (Richmond-Wolfe)	Bell (Saint John-Albert)
Ballard	Benson
Barnett	Berger
Basford	Bigg
Beaulieu	Blouin
	Boulanger

Division

Bower
Brand
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Cantin
Caron
Carter
Cashin
Chatterton
Choquette
Churchill
Clancy
Clermont
Code
Côté (Longueuil)
Cowan
Crossman
Crouse
Deachman
Dinsdale
Douglas
Drury
Dubé
Duquet
Émard
Enns
Fane
Faulkner
Fawcett
Flemming
Forbes
Forest
Forrestall
Foy
Gendron
Gilbert
Goyer
Granger
Gray
Grills
Guay
Gundlock
Habel
Haidasz
Harkness
Harley
Hees
Hellyer
Herridge
Honey
Hopkins
Horner (Acadia)
Horner (Jasper-Edson)
Howard
Hymmen
Irvine
Johnston
Jorgenson
Keays
Kennedy
Klein
Knowles
Lachance
Laflamme
Laing
Lambert
Lamontagne
Laniel
Laverdière
Leblanc (Laurier)
LeBlanc (Rimouski)
Leboe
Lefebvre
Legault
Lessard
Lind
Macaluso
MacEwan
Mackasey
MacLean (Queens)
MacRae
McCleave
McCutcheon
McIlraith
McIntosh
McKinley
McWilliam
Marchand
Martin (Essex East)
Mather
Matheson
Matte
Monteith
More
Muir (Lisgar)
Nasserden
Neveu
Nielsen
Nixon
Nowlan
Nugent
O'Keefe
Olson
Orlikow
Otto
Pascoe
Pennell
Pepin
Peters
Pickersgill
Pilon
Prittie
Prud'homme
Racine
Rapp
Régimbal
Reid
Richard
Rideout (Mrs.)
Rinfret
Robichaud
Rochon
Rock
Roxburgh
Ryan
Saltsman
Sauvé
Sharp
Skoreyko
Smallwood
Smith
Southam
Stafford
Stanbury
Starr
Stefanson
Stewart
Tardif
Thomas (Middlesex West)
Thompson
Tolmie
Trudeau
Tucker
Valade
Wadds (Mrs.)
Wahn
Walker
Watson (Châteauguay-Huntingdon-Laprairie)
Whelan
Winch
Winkler
Yanakis—173.

NAYS

Messrs:

Caouette
Dionne
Gauthier
Godin
Grégoire
Laprise
Latulippe—7.

• (4:00 p.m.)

Mr. Speaker: I declare the motion carried.

Bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

On clause 2—*Annual payment to Newfoundland by way of additional financial assistance.*

• (4:10 p.m.)

Mr. MacLean (Queens): Mr. Chairman, I believe the minister was going to answer a question that was asked by the hon. member for Halifax and I have a similar question with regard to the effect of clause 2. What effect does clause 2 have over and above any powers that were contained in clause 3 of the other act which is being repealed? I would specifically ask what significance, if any, has the inclusion of the words "on behalf of the government of Canada"? I noticed that this expression did not appear in the corresponding paragraph.

Second, I suppose the purpose of passing this bill is to include these words:

—until otherwise provided by any agreement in that behalf hereafter entered into between the government of Canada and the government of Newfoundland—

That is the only addition I see; otherwise the bill is redundant, at least in my judgment.

I also want the assurance of the minister that the existence of this bill with its provision of the amount of $8 million will not in any way prejudice the position of Newfoundland with regard to negotiations or federal-provincial conferences dealing with grants of a general nature, such as equalization grants to equalize the level of services in the various provinces of Canada, and that it will never be said on behalf of the government of Canada that in the case of Newfoundland equalization is already provided in this legislation.

Regardless of whether or not under this bill negotiations may be entered into, any negotiations with the province of Newfoundland in connection with the equalization of grants must not be prejudiced by this legislation when the amount specified has depreciated in value so that it does not meet the purpose contemplated in term 29.

Mr. Pickersgill: Mr. Chairman, the hon. gentleman has put several questions. The hon. member for Halifax also put a question which is closely related, I think, to some of the matters raised by the hon. member for Queens.

The position taken by the federal government and the position, if I understand it correctly, of the government of Newfoundland is that the McNair award under term 29 should be assimilated to the constitutional subsidies provided to other provinces in the original act of confederation, as amended from time to time, and to the subsidies provided in the terms of union with the other provinces which subsequently came into confederation. The award should not be confused with tax-sharing or equalization.

It is true that the monetary award of $8 million was incorporated as part of the tax-sharing legislation of the previous government, and from the monetary standpoint this bill will make no difference. What it does is to make provision of this kind permanent unless at some time the parliament of Canada decides to repeal this act. In other words, it puts the matter in a different position.

It is true, as the hon. member for Carleton suggested, that we might have proposed an address to the British parliament and asked them to incorporate this provision in the British North America Act. If the government of Newfoundland had felt very strongly about it, then perhaps that would have been a course which might have commended itself to the whole of parliament. That was done, of course, with the original terms of union and it was done with the terms of union of most of the other provinces.

However, the government of Newfoundland indicated that they would accept the good faith of the parliament of Canada. They agreed that, if it was done in this way, no parliament would ever change it unless there was agreement between the then government of Newfoundland and the government of Canada that it should be changed. I think it is fair to say that they have taken the view which the present federal government takes and which the leader of the government took when he was on the other side of the house and has taken consistently, namely, that this should be done as part of the terms of union and done on the same kind of basis as the other parts of the terms of union, as completion of the constitutional subsidy of Newfoundland.

In many ways, Mr. Chairman, this course is very comparable to something with which the hon. member for Victoria-Carleton is very familiar, namely, the awards of the White commission which were made in the thirties and which were not incorporated as an amendment to the British North America Act but were made a statute of this parliament. Those sums have been paid to the three maritime provinces annually ever since.

I am sure that any proposition that these subsidies be taken away unilaterally by this parliament would be defeated by this parliament. I am sure the hon. member for Victoria-Carleton would agree with that view. Therefore it is felt by us, and after the vote we have just had I am more reassured, that this act will adequately complete confederation.

If the McNair commission had seen fit to recommend that this amount be revised from time to time according to some formula to take account of changing factors, then, since most Newfoundlanders would feel that it would probably be revised upwards or not at all, they would have been very happy. There was not too much satisfaction expressed in Newfoundland when the award was first made. But the McNair commission did not recommend that course; they recommended a fixed sum.

I think it is fair to say that the present course will be regarded in Newfoundland as just and, beyond that, that the people of Newfoundland and the government of Newfoundland will be prepared to accept the same principles as apply to other provinces in the fields of equalization and tax-sharing. No doubt they will fight this as hard as the governments of the other provinces fought, and no one knows better than the hon. member for Victoria-Carleton how hard they can fight. They expect to get treated just as well as any other Canadian with regard to tax-sharing and equalization. But they do not want the two matters confused. This amount they regard as their constitutional right.

Tax-sharing is part of the arrangement which ever since 1947 we have habitually revised every five years and with regard to

which the Minister of Finance and the provincial governments are even now in the process of negotiating revision. I do not think there is any danger, once the bill has passed and become part of the law of Canada, of the two matters being confused at all.

Clause agreed to.

Clause 3 agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

VOCATIONAL AND TECHNICAL TRAINING

PROVISION FOR ALLOWANCES TO PERSONS BEING TRAINED

The house resumed, from Wednesday, May 18, consideration in committee of the following resolution—Mr. Marchand—Mr. Rinfret in the chair:

That it is expedient to introduce a measure respecting allowances to persons being trained under technical and vocational training programs, and to authorize the entering into agreements with the provinces in connection therewith; and to provide further for certain changes incidental thereto in connection with the administration of the Unemployment Insurance Act.

• (4:20 p.m.)

[*Translation*]

Mr. Régimbal: Mr. Chairman, we were very interested by the explanatory remarks of the future minister of manpower (Mr. Marchand) on the resolution regarding vocational technical training and compensation for persons who will take those improvement courses. We are pleased to offer our full cooperation for the realization or achievement of the objective sought. Of course, we can make more accurate comments and more cogent criticisms when we see the detailed text of the bill.

Besides, the future minister knows that the technical and vocational training program now applying to persons affected by unemployment, as well as the technical school construction assistance program, were initiated under our party's administration. The fact that it is proposed today to review the scope and application of this program proves definitely the merits of our initiative.

It seems logical to us that these programs should be adjusted to the needs of the times, as it would seem logical also to adjust the income of old people and pensioners to present standards of living.

We hope that this new program will direct people toward new trades adjusted to the needs of new industries, rather than toward the usual trades or jobs, as was too often the case in recent years, such as body workers, cooks, barbers and so on. We think also that special attention should be given to the development of industrial structures, to supervisory and even administration duties. Special assistance in this regard would be most appreciated by small and medium-sized enterprises which, as the future minister knows from experience, still remain the backbone of our semi-urban and semi-rural economy.

But we rejoice especially over the fact that an opportunity will be given us, at last, to consider, after five months of session, one of the first pieces of legislation that may have positive results on our national economy. The program indicated in the Speech from the Throne included 23 or 24 points.

[*English*]

Actually, Mr. Chairman, what has this house done until now? Practically nothing, and certainly through no fault of the opposition. We are still waiting for the introduction of promised legislation concerning university grants and scholarships, a health resources fund, medicare, banking, a national dairy commission, feed grain marketing, the Railway Act, the Canada Development Corporation, securities, the Bankruptcy Act, and insurance for full time farm workers. We hope the introduction of this bill may be the start of something good.

Mind you, we find it strange that the suggested compensation should be fixed at $1 an hour, or $35 for a week of 35 hours, when at this very moment the government is seeking to enact Bill No. C-2 establishing a minimum of $1.25 an hour for a 40-hour week. Perhaps the Minister of Labour will wish to say a word on this point. We are also anxious to know what size of family will qualify for the maximum $90 a week allowance.

These are points on which we shall be commenting at greater length when the details of the bill are before us. In conclusion may I repeat that we welcome this initiative and hope that our past experience will be of assistance in guiding this measure to successful final enactment for the betterment of our human resources.

Mr. Saltsman: Mr. Chairman, as we take part in this debate it is important, to recognize the significance of what the minister is

proposing. It was a significance which goes beyond the bare announcement made by the hon. gentleman. We are encouraged to believe there is a new understanding of manpower, as evidenced by the reconstruction of the department and the appointment of the present minister. It is most heartening to read a statement by the hon. gentleman recently expressing his belief that this problem cannot be solved unless the community as a whole takes a new attitude toward the importance of training and comes to regard training as a normal and productive part of people's lives, as something that should be equated with work rather than with unemployment and welfare.

This represents a great departure from the practice in the past and I am sure there is not a member in the house who will not applaud this new approach. I should like to join with the hon. member who has just resumed his seat in the suggestion that we adhere to this principle and see that the equating of work with training is carried to its logical conclusion by making $1.25 the minimum basis of payment. If we are to honour the minister's statement with the full force of the law I think we should seriously consider making the initial payment greater than $35.00 so that it will be more in line with the labour code now on the statute books. The minister might wish to make some adjustments with regard to the other levels. But he has postulated an important principle and perhaps he needs to take action to ensure that this principle is fully understood and that we have a total commitment to it.

I should like to quote now from a publication entitled "Technical and Vocational Education in Canada". The following is an extract from the speech by Mr. W. R. Cranston, chairman of the Ontario Economic Council, illustrating what I call the new attitude toward manpower:

> The days of the big "gold rushes" in terms of available and exploitable human and material resources in this country may well be coming to an end. We must now, to hold our place in this world, examine our manpower and natural assets in much greater detail and provide an economic and educational climate in which their contribution to our national and international growth can and will be more readily maximized.

While I am on this subject I should like to compliment the Department of Citizenship and Immigration together with the director and editor of this magazine. I think this is a most worthy effort and it contains excellent information on the whole subject of manpower.

[Mr. Saltsman.]

It is fairly obvious that the provisions contemplated in this resolution are overdue. From personal experience, as well as from the experience of others who are familiar with this subject, I believe that the provisions of the Unemployment Insurance Act should not be used as a means of paying those who are engaged in training.

First of all, as I think the minister pointed out, the man who took a course of training for a considerable period of time was often placed at a serious disadvantage. If he became unemployed at what I might perhaps call the wrong time of the year, his right to insurance payments was forfeited and as a result he was penalized because of his effort to train. The recognition that unemployment insurance should not be related to training is laudable. The one has nothing to do with the other. A man's insurance rights should remain open to him in case he has need to call on them. But for the efforts of some very dedicated people who were working on program five I think the program would have been even more disastrous than events have proved.

• (4:30 p.m.)

I point out these things to indicate the great need that has existed for the kind of measures the minister has introduced. In my riding we went into program five at a very early date. One of the aldermen on council, Mrs. Donaldson, took a keen interest and she was ably assisted by Mr. Rice who headed up the program and had an excellent staff. They are really dedicated people. They have to be. They are not only trying to make program five work but they have to be social workers as well because part of the payment is made under the Unemployment Insurance Act and part is made by the province.

Sometimes one cheque or the other would not come through. Frequently there was no relationship between the two, and the amounts were small enough without people being deprived of the payments at the time they needed them. There were other problems besides money in trying to keep people at school, but money was an important problem. Living on a day to day basis without funds to fall back on meant that the only way they could stay in school was to receive their payments at the proper time.

Whenever there was a technical hitch, a departmental error or conflict between the two agencies, this made the whole problem more difficult. In fact, some of the teachers

had to dig into their own pockets and advance loans to pupils in order to keep them at school. Should we expect our teachers to be performing this function? Obviously the government now feels that this is not the function of the teachers.

We have a program which is quite good but it is important to recognize that we have dedicated people in the teaching profession who have kept an inadequate program going for a long time and deserve our commendation.

I would also like to point out the difficulty with regard to the excellent program in the city of Kitchener at Waterloo Collegiate. The program is headed by Mr. Charles Rushton and I am pleased to see that the government has recognized the abilities of this man by promoting him to a higher position. An article in the Kitchener-Waterloo *Record* of last February deals with a $100 gift by the local I.O.D.E. chapter to program five but to Mr. Rushton in particular so that he would have some kind of kitty to help people in training stay at school. Among the problems he had to cope with were a deserted mother who needed funds to buy baby food, streetcar tickets for 20 people for ten days, aiding three women from northern Ontario to get suitable accommodation, aiding a Cape Croker Indian boy who needed clothing and accommodation, and issuing cafeteria tickets to numerous people ensuring them of at least one hot meal a day.

The record indicates that less than half of the people who enter program five complete the course. It is difficult to know just how many of them drop out because of lack of funds but there is every indication that a fair number of them are in that position.

I submit that no country needs education, and inducements toward that end, more than Canada. We are a small country with a limited population but we have a huge area of land. We cannot do some of the things that other nations with massive populations can accomplish. The implication of all this is that if we are to have any future at all it is as a nation of quality, and to achieve quality we have to place great emphasis on training, retraining and the education of our people.

We need a highly trained and skilled work force. It has often been said that this country was founded by a group of French and English people who were proud husbanders and tillers of the soil. That was true at a time when 70 to 80 per cent of the population was engaged in agriculture of a self-employment nature. People in agriculture, whether rich or not, at least have pride. In fact they have great pride, and proud husbandry is not a bad description to give that type of work.

But with the increase in factories and industrialization which has taken place, many people have had to leave the farms and come into cities. Frequently they have been poorly equipped for the new challenges facing them. For many it meant a loss of respect and a sense of dignity, the kind of dignity that comes from knowing one's occupation is important and that one can rely on one's hands to perform the tasks set for them. A lot of this has been lost as a result of the shift from a rural to an urban population, and there is a great need for education if for no other reason than to restore a sense of pride in our work force. When a work force is trained and has skills it also has a sense of pride. This is important to the nation and I hope the improvements to this program will help in that respect.

I would ask the minister to give serious consideration to the way that the money is allocated to the various provinces. Admittedly the federal grants of 90 per cent and 75 per cent on capital construction are fairly substantial. They are fine for those provinces that retain the work forces they train, but it is not a good proposition for many provinces that are merely training their people for migration to other provinces. This is a problem which the minister should consider to see if he can devise a formula based on immigration or emigration province-wise. He should recognize the national implications and see to it that those provinces which are training their workers, only to see them move to other parts of Canada, are provided with some compensation.

It is frequently the poorer provinces which find themselves in this position. It is unfair to say to a province that here is a training program which is going to increase the abilities of its people when frequently it also means it increases the mobility of its trained people so that they can move to greener pastures. It is unfair to ask the poorer provinces to carry this burden. This is a national problem. Because the provinces which benefit are already the richest I think some compensation should be paid to those provinces which suffer an exodus of people who have received skilled training.

Vocational and Technical Training

I should like to quote from the third annual report of the Manitoba Economic Consultative Board:

> One must ask whether a province or a region which is a chronic exporter of human resources can support the appropriate investment in human capital if significant amounts of this capital are transferred to other regions.

Then it puts forward this argument:

> ...greater federal financing of these manpower development programs particularly in the field of education so that the cost of the investment may be borne by the larger economy which receives the benefit—

• (4:40 p.m.)

I am not certain whether I can go into some aspects of manpower policy which are not related specifically to the measures that the minister has introduced. Because the minister has introduced two measures which I think are very good and very worth while, I should like to refer to other things going on in his department which have far less to commend them. I speak particularly of the mobility program. I am watching the Chair very carefully but I think I have sufficient time left to deal with this point. I think the minister should consider very seriously the present mobility program because I do not believe it makes any sense. It defies any kind of rationalization. I can see the basis. It is a question of whether or not you have been unemployed for a long time or, as the minister enlarged on it the other day, whether you are in a declining area, in which case the provisions are applied to that area. Generally speaking, however, from a manpower point of view why should we have to wait until unemployment becomes chronic before we move people out of that area? If a manpower policy is to be effective, I think that in some cases we should anticipate the unemployment and if, after we assess the situation, it looks as though the possibilities are dim in that area we might as well get started then and forget this business of designating grants or loans.

As an indication of how unsuccessful this program has been, one has only to look at the figures in respect of those who have taken advantage of the loan program to see how badly it has actually operated A mobility program should be based entirely on grants rather than loans. If the minister is concerned that there are people who will take advantage of the situation, such as people who might move for frivolous reasons and perhaps should not be helped, I would agree that the government should not help people who move simply because they feel they would like to go somewhere else. Perhaps we are not prepared to accept such actions in view of the many other large priorities we now have. However, surely those who administer the program are or should be in a position to know whether the request is frivolous or based on real need.

Many people have to move because there are no job opportunities or job opportunities are inadequate or the wage scale is less than desirable. I do not believe it is right to ask these people to make repayments from their first pay when they have all the costs of relocation and the adjustments they have to make in respect of a new environment and the problem of finding accommodation. One almost has to be a charity case before the government is prepared to do anything.

In view of the minister's enlightened speech in respect of retraining grants he should again examine the mobility program closely. The minister has not said very much about publicity and the extent to which he is going to publicize the new grant system. I think it is incumbent upon him to make sure—

The Acting Chairman (Mr. Richard): Does I regret that it is my duty to advise the hon. member that the time allotted to him now has expired.

Mr. Saltsman: May I have the indulgence of the house for a moment?

The Acting Chairman (Mr. Richard): Does the house give unanimous consent to the hon. member to proceed with his remarks?

Mr. Starr: Mr. Chairman, I certainly have no objection if it is only for a moment. This debate, however, is limited and there are only four hours and some minutes left. If the hon. member wishes to carry on for a moment I would like to see him carry on, but I hope he will bear in mind that other members who have asked for additional time have in some instances carried on for an unreasonable period.

The Acting Chairman (Mr. Richard): I understand it is agreed that the hon. member shall have leave to speak for a few more minutes.

Mr. Saltsman: Thank you, Mr. Chairman. As an indication of my gratitude to hon. members who have permitted me to continue, I promise I will be no longer than two minutes. In concluding my remarks on manpower I should like to say that I think the minister should take upon himself the

responsibility of ensuring that those factors which are necessary to guarantee an effective manpower policy in this country are considered within the cabinet, and he should speak very strongly there in this regard. This matter has been brought to his attention before. It is not going to do much good to have a mobility program or any other kind of program if we do not know the kind of country we want to have. If we are going to become a second-rate country of assemblers, what is the use of training our people, because we would only be training them for export.

The minister should bear in mind that one of the reasons it is possible for us today to have this kind of dialogue and concern about manpower in Canada is the high level of employment. He should see that his voice is heard in respect of a full employment policy as the only way of making sure that a manpower policy is implemented. I could say very much more but we will have opportunities on other occasions. Again I thank hon. members for their indulgence.

• (4:50 p.m.)

[*Translation*]

Mr. Dionne: Mr. Chairman, I am pleased to add a few words to the remarks of the previous speakers concerning this significant resolution submitted to the consideration of the house.

I take it that this resolution concerns mainly allowances to persons who have accepted to follow training courses, and also changes concerning the terms of administration of the Unemployment Insurance Act pertaining especially to rates of allowances.

This is an important aspect of the resolution as it may be a factor determining the decision, in the mind of persons who would often be prepared but are unable, because of a lack of money, to follow a training course, according to their aspirations.

I sincerely hope that this legislation will be clearly drafted, so that the terms for application of the rules derived therefrom will be easily understood by all concerned. There is a great deal of legislation—in fact I think there is too much—most of which is drafted in vague terms, with references to a series of paragraphs, and this often creates confusion. It is too often taken for granted that the average citizen cannot be ignorant of the law. Even those with legal training and politicians who make the law must often consult the legislation and the revised statutes, which are not complete anyway, since numerous acts are amended each year.

I believe it is in order to insist on this special aspect of the resolution, since certain changes incidental to this program must also be provided in connection with the administration of the Unemployment Insurance Act.

Nobody will be surprised if I add that the Unemployment Insurance Act, passed more than 20 years ago, is still not perfectly understood by all contributors, employers, employees and a large percentage of officials. The reason is that the drafting of many clauses is so complicated that it allows various interpretations in the minds of certain officials who are not sufficiently aware of working conditions, and who may influence the worker accepting a job or leaving his place of employment.

The official concerned often makes prejudicial decisions because he is usually inclined to accept the employer's account of the facts instead of trying to clarify the situation by taking also into account the employee's explanations.

True social legislation bearing the name of unemployment insurance must protect the unemployed at least as much as the fund. Unfortunately, the opposite is often true and the fund is better protected than the unemployed.

I wished to point out that fact since the resolution deals with allowances which, in some cases, will adjust benefits paid to the unemployed who are ready to take courses.

Many were having difficulties last winter with regard to this, for example because of delay in checking the files, which determines eligibility for allowances, or in the payment of adjustment allowances; as a result, some of the unemployed had to borrow money to continue their courses and others received a ridiculous allowance adjustment.

I have a cheque here for 40 cents, which is not even enough to buy a light meal. Others, living near the school, received a regular weekly allowance of $10 to $12, as compared to those living some miles away and even in neighbouring parishes who received the same or a smaller amount, while a great many received nothing at all. An unemployed married man with dependant children cannot pay his transportation to school with his benefits; he must use the latter to provide for his family, which is normal. Several had to abandon their studies for lack of money. That is why we are happy to see that the resolution means to deal with this situation.

Automation has clearly forced the young and the not so young, who would once have

made up the bulk of apprentices in trades needing manual dexterity, to abandon some trades in order to learn other skills.

Today, the employers are more and more anxious to hire workers having diversified knowledge and which are able to apply their knowledge to the large fields of production, marketing, financial administration, personnel organization, etc.

The proposed resolution seems to take into account a great many factors which must be taken into account, among others, those I have listed earlier, and I expect to have the opportunity to deal again with them when the bill is introduced.

But I must congratulate the government and the minister for their approach in presenting this resolution.

I know several associations—I am a member of a few of them—like the association of woodworkers, the United Brotherhood of Carpenters and Joiners of America, which have labour agreements with thousands of woodworkers in Canada, especially in Ontario and Quebec, as well as other associations in the province, like the U.C.C., which demand forestry school. The problem has become urgent following the mechanization of production in forestry.

It is unavoidable that workers who are unfamiliar with the handling of all that modern equipment must take a course to enable them to become more easily adjusted and draw the salary paid to a man qualified to handle or to operate, if your prefer, the machinery which is now contributing to increase forest operations. In short, production must be increased in that field.

Once again, I wish to thank the minister for having given special attention to the problems and training of labour in the development of these courses. I especially hope, as I said in the beginning, that the legislation will be drafted so that the administrators will not have to deal with the schedules of allowances and that when complaints are lodged, we shall not be told that under established schedules, such and such a payment cannot be made.

I would greatly appreciate it if the new legislation were clearly and explicitly defined, so that everyone would easily understand the terms of its application.

[*English*]

Mr. Johnston: Mr. Chairman, I think we should all generally hail this measure as a step in the right direction, particularly that part relating to amendments to the Unemployment Insurance Act. There are many people who are not covered by unemployment insurance. I think particularly of farm labourers and hospital employees who could easily be covered and should be entitled to coverage.

Let me remind the minister that this measure will do nothing for the permanent poor, the functionally illiterate, the number of whom is far too large in the Canadian population in this century. These people need a basic education before they can become eligible for technical and vocational training and they are certainly not in a position to be retrained for employment. There is a great deal to be done in this regard in order to make the measure before us completely successful and worth while.

I am a bit concerned about the educational aspects and the rather narrow interpretation of the vocational concept which I suspect will be embodied in the bill following this resolution, because for some people the only road to success is one which begins with the regular school system. Quite a number of unemployed Canadians would like to proceed with formal education, which in a sense is vocational because it leads to those occupations they wish to pursue. I hope the minister will give some consideration in this regard for the benefit of those individuals who would want to obtain their retraining in this way.

• (5:00 p.m.)

I believe that the minister and the government should pay very careful attention to the brief on adult education presented to them a while ago. I believe that much of what will happen through the bill to come before us will ultimately be seen as a very short-term approach and that a great deal of thought needs to go into the various excursions of the federal government into the field of education. We seem to be able to sell the people of this country on the idea of federal participation in technical and vocational training if we keep it absolutely and purely vocational. Yet if we read the opinions of people who are talking about the long-term needs of education in a developed country, I think we should be aware that much more than a short-term technical and vocational training program will be necessary for many of our people.

I suggest that many of the people who take retraining courses will still find themselves trapped within occupations that themselves are going to disappear very shortly or are not those they would really like to have, but

because funds are available the temptation will be to accept what may well be less than their potential would require.

Finally, Mr. Chairman, I would urge very strongly that once the sum of money to be paid to people who take retraining programs is set it should not be played around with. I am concerned about the suggestion in the minister's reference yesterday that if a person lived at home he might not be paid as much as someone who lived away from home. A previous speaker referred to the high rate of attrition in any sort of retraining program. People drop out because they have too many problems in association with the retraining. I do not think the department always understands the tremendous handicap that any adult who has not been in school or a retraining institution of any kind faces when he goes back to school for the first time after many years. There are tremendous frustrations within the process of retraining itself. If at the same time he has to worry about problems at home, it becomes too much altogether and he gives up after a while.

I imagine that many wives have found they have had to go to work during periods when the husband has been unemployed. If the husband then enters upon a retraining program, certainly no working wife can afford to quit her job which represents the only security they have at the moment until the husband has not only finished his course but has found a gainful occupation. If we force the husband to be retrained away from home because it may be more valuable financially to him, if we set up this kind of problem and give him this additional worry, I think we will have done the entire concept of a retraining program a great disservice.

I submit that the minister will find that if he includes clauses like this in the structure of grants for the program he will have raised far more problems than he will have solved, and what seems a rather niggling approach to save a very small amount of money will seriously jeopardize the results he would like to obtain from a most worth-while program.

Mr. Otto: Mr. Chairman, I am not going to heap praises on the minister, although I should. But from the reception this resolution has received in the house I think he should know it is still not too late to be a reform Liberal and that it is quite popular to be a reform Liberal. This, indeed, is a reform measure.

Mr. Herridge: You mean a socialist in a hurry.

Mr. Otto: It is a reform measure in that the minister recognizes that the present vocational training program is not working but the need for training is there. I think he has carefully analysed the reason it is not working and has had the audacity and nerve to take one of the ills involving the amount of money received and rectify it. It would have been very easy, of course, to have raised the amount from $35 to $45 but this would not have been the answer. To raise the potential amount to $95 is daring; it represents reform, and I think it is going to be workable.

The second annual review of the Economic Council of Canada points out at page 182 some of the reasons why the vocational training program is not working. I do not think the whole report is infallible. I believe there are many things in it that are wrong, but in this connection I think it is quite right. In the report it is stated that there is a lack of adequate knowledge among the general public in regard to the general courses available, and so on. I do not think this is entirely correct. I think there is a fairly adequate general knowledge but the program was not advertised and publicized enough. The report also states that workers were not informed or counselled adequately. But, most important, it states that "inadequate training allowances appear to be acting as a brake on the programs", which is correct.

The report also mentions this factor:

> Because many authorities are involved, the responsibility for the initiation of programs is often not clear. Consequently, programs that are needed do not get implemented.

By and large what the report says is that the vocational training program is not working. There is a presumption by all the people who write such reports with regard to how a person gets to know about vocational training and how he undertakes it. But in my practice, and I have come across many such cases, the normal way is that a person finds himself unemployed; his job has disappeared or he just cannot make enough money at the job and so he is out of work. When this happens he does not immediately try to find out what vocational training is available, although he has an idea and he might investigate it. But as soon as he goes to the vocational training school and sees the blackboards, the teachers and all the formal parts of education he becomes rather apprehensive. So he tries to get along for a while by taking lesser paying jobs but still maintaining the standard of living he has enjoyed previously. By this time

he has used up his savings and decides he is going to take a course. He might decide that since he has a grade 11 or grade 12 education he will study to be a mechanical draftsman or a technical draftsman, for whom there is a great demand.

He informs his family and his kids immediately go all over the neighbourhood and tell the other kids, "My dad is going to be an architect" or "My dad is going to be an engineer." By this time the man is worried about the whole business, because he might not pass the course and he might not make it. If you add on top of all this apprehension the monetary consideration of how he is going to stay alive and feed his family until the course is finished and he gets a job, the problem becomes, as the previous speaker said, almost insurmountable and therefore the course is not for him. Ordinarily this is what really happens. The legislation to follow this resolution will remove that apprehension. I do not believe the minister thinks it is going to make the whole vocational training program 100 per cent effective, but it will certainly improve the whole atmosphere of vocational retraining.

• (5:10 p.m.)

With regard to unemployment insurance benefits being used up, I do not believe this is a large consideration. Unemployment insurance benefits are not that much and they really have no meaning. I should like to see the minister face that problem next and raise unemployment insurance benefits to realistic figures. I believe he has that in mind. The report to which I have referred, the second annual review of the Economic Council of Canada, recommends at page 171, that there should be closer co-operation between business, labour and the educational system, along with improved counselling of students regarding future manpower needs and the most effective ways of meeting those needs. You will notice mention is made of government, labour and management.

I put it to the minister that in this instance we do involve the federal government, the provincial governments and the individual, but we fail to involve the most important group and that is management. The ordinary working man or tradesman, after 10 or 12 years in a shop, becomes involved with the people who are there as supervisors, the union labour group. It would be much better if some provision could be made by which he could take retraining while he is still involved with this group instead of being cut off separately as an individual who has to try to make it on his own with all these apprehensions and all these fears.

I recommend to the minister that he consider whether a payment of up to $80 or $90 could be made directly to the employer who in turn could add to that. After all, the employer is going to get the benefit of the man's retraining. If this were done, the workmen's pay would not be so drastically reduced. In addition management, labour and government would be involved in one project concerning one person's future.

There are difficulties with this scheme, of course. However, we must remember that automation is one of the greatest worries of labour, management and government today. This may be one method by which a start could be made toward the solution of the problems facing us as a result of automation. Provision could be made under which the employer, if he so desired, might continue to keep the workman on his payroll and at the same time get the benefit of the money the government would pay. I presume the employer would still have to contribute money of his own but I do not believe he would mind doing that. He would have the benefit of that person's training within his own organization in the future.

Labour unions could also be involved in this scheme with the result that—and this is most important—the workman would still be within the organization to which he has contributed for 10 or 15 years and which he recognizes as his group. He would derive a lot more encouragement to continue his retraining and thus achieve one of the purposes of this resolution.

Mr. McCleave: Mr. Chairman, may I make it clear at the outset that I welcome the resolution presented to us by the Minister of Citizenship and Immigration. I commend him for introducing such a worth-while piece of legislation as that which will follow the resolution. In a moment I should like to enter a couple of caveats with regard to the program upon which he has embarked, but perhaps I might be permitted to do from the opposition benches what his own colleagues on the government side did not do and say a few words about the appointment of the minister. I think there may be many people disillusioned with the members of this parliament. However, I believe we have a large number of good members and there is a lot of talent among the new members. I say to the

minister in this house, as I have told him privately outside, that he has made a splendid contribution in the cabinet and in the house. He is to be congratulated for his refreshing point of view and his candour. One hopes that he will spread it to his colleagues and will not suffer from a malaise emanating from them. The minister has broken away from the gate and is one of the leaders of the new talent in this chamber.

One of the attractive aspects of the resolution is the provision for the training of those who were self-employed but who were having difficulty in such primary industries as farming, fishing or logging. I can look about my own constituency of Halifax, and other areas of the maritimes for that matter, and see that this is a real step toward breaking the bonds of rural poverty. People have been caught in these primary industries without being able to make a go of it on their own and yet they really are fastened to their fishing communities or their small farms because there is no alternative. As I say, this measure should remove the bondage that is associated with rural poverty and I commend the minister for that aspect of it.

I should like to make two points, sir, with regard to what I call safeguards because, after all, we are dealing with public money. While we have no idea yet what amounts of money are likely to be involved, nonetheless it is incumbent upon us to see that the program is properly set up and properly administered if it is to have the support of the people of Canada. Therefore I suggest these points to the minister.

The minister has referred to training for the unemployed. I believe that any program drawn up should take into account the background of these loggers, fishermen or farmers in order to ascertain whether the training could not be directed along lines which would take advantage of the experience they have had. In this way they would be able to carry on their occupations more adequately. I think this should be the first stage. I realize it is not possible in the case of a fisherman who may be so inadequate in fishing that he has to be retrained as a welder, for example, or a carpenter. However, there should be some recognition by the minister of the past experience of a person who is to be trained under this program.

• (5:20 p.m.)

The other caveat I would utter with regard to the program is the danger that we may have some who will want to continue their education for long periods of time simply to derive the income permissible under the proposed legislation. In short, if we are not careful we might cultivate a sort of perpetual freshman continuously unemployed and undergoing training. I realize that probably these points are dealt with or will be dealt with in the legislation to be put before us, but I thought it proper to utter them at this time.

Mr. Faulkner: Mr. Chairman, one of the difficulties in being so far down the roster of speakers is that most of one's thoughts have already been expressed by other members when one's turn is reached, so I will be brief.

I join with the hon. member for Halifax in his eulogy of the minister. It seems to me an incredible oversight on our part not to have drawn this fact to the attention of the house. Perhaps we felt it so self-evident that it did not need to be drawn to the attention of the house. We are equally proud of his achievements, particularly as a freshman minister, which must be infinitely more difficult than just being a freshman member.

The resolution before us is to my mind one of the more interesting and exciting resolutions we have seen in the house this session. It seems there is almost the possibility that we are moving into a sort of age of enlightenment when it comes to industrial relations. If the initiative is being taken by the Minister of Citizenship and Immigration, more power to him. Too often in the past human considerations have been missing in a general assessment of the problems in an age of technology and it is imperative that this dimension be introduced into our thinking. I think Mr. Justice Freedman made an important contribution along this line and I hope that both his principles and philosophy are reflected in future government legislation no matter which party happens to be in power, as well as in the attitude of management.

It has been my experience, albeit brief, that the major and paramount preoccupation of industrial workers is concern for job security. At the same time industry is in the grip of technological innovation. If this country and its industry are to compete in world markets, and it is imperative that we do so, then in turn we must watch very closely the level of productivity. We must capitalize on technological developments, and recognize the necessity for constantly automating the processes of production. However, job security

and technological innovation are mutually contradictory. Job security is an almost impossible goal, or would appear to be, in an age of wide ranging change. There is no possibility of changing the need for technological innovation; it is a fact of life, and automation is a by-product of this innovation.

Therefore, Mr. Chairman, some way must be found by which we can provide for job security without jeopardizing the need for a high level of productivity and technological innovation. It seems to me that the fundamental link, the key to the reconciliation to this apparent dilemma, lies in training and in retraining. But in my view this in turn will never be accomplished unless the whole status of training, our attitudes here and the attitudes of the public to training are in turn completely changed and upgraded.

Traditionally training has been something which has been done in response to chronic unemployment. When a person becomes unemployed the solution has been to train him. However, training should be far more a part of the continuing process of adaptation which is a necessary part of the technological era in which we live. So training, instead of simply being something we do to assist unemployed workers, must be something we do to prevent unemployment and to enable workers to adapt to the new processes and new skills which they will be required to have.

It is this dimension, Mr. Chairman, of the resolution which to my mind is so important. There often seems to be a sort of reluctance to take preventive steps. Too often we deal with problems after the fact. For example, we deal with unemployment when unemployment arises. We are now dealing with the prospect of unemployment prior to it taking place and we are trying to pre-empt it or to prevent such an occurrence.

I think the hon. member for York East made a point into which I hope the minister will look carefully. He developed it at some length and I wish only to reiterate it. I refer to the need to bring training programs right on to the factory or shopfloor. It seems to me that far too much use is made of the approach whereby a man is taken out of his job location and put into something which passes for a school in order to train him to go back to a machine or to facilities which bear very little relationship to the equipment he learned about at the school itself.

When I was fortunate enough to work in England with a Canadian subsidiary, which is an interesting reversal, the company for which I worked felt it incumbent upon them—they employed 5,000 to 6,000 workers—to provide apprenticeship training programs right in the factory itself even though they recognized from the beginning that they would never use all these people. Nevertheless it was an obligation the company assumed on their part for the good of the country.

I think that a great deal more could be done to provide training programs within factories on the shop floor in co-operation with the management of the particular industry involved. In the same light it is important that the industry involved must be prepared to disclose its long-term plans. Too often now a man is laid off without any forewarning, whereas quite frequently management has known well in advance that it will be automating a certain process and that personnel will be laid off and will therefore need retraining. Industry must be far more forthright than it has been up to now with regard to its long-term plans, and it can certainly do this without jeopardizing its competitive position in the market.

That, Mr. Chairman, is the first dimension under this resolution which I think is important, and I hope that within this dimension of training as a response to a continuing process of adaptation we will in some way discover how to work with the industries in order to get training programs out of the classroom and on to the shop floor.

The other dimension under this resolution which I think is important is the concept that payment for training must relate to payment for work and is not relative to what welfare payments might be or unemployment insurance payments. Training is an alternative to work. It is a preparation for further work, and this concept inherent in the resolution is to my mind one of the most important and enlightened concepts I have encountered in my short term in this house.

• (5:30 p.m.)

However—and I will close on this note—one of the members opposite suggested that it was the responsibility of the minister to keep the people aware of this program; and I think that there he suggested only a half-truth. It is his responsibility and the responsibility of his department, but far more it is the responsibility of members of parliament. A good member of parliament has close and direct communication with the trade unions in his riding as well as with management

and each of us in this house, it seems to me, has a compelling responsibility to make those people who are involved aware of the resolution which is being presented and the bill to follow and tell them how they can participate. It is too easy to say that it is simply the responsibility of the government to go about the country enlightening people as to what this program contains. It is equally the responsibility of members of parliament to do that job, and this applies not only to the resolution before us now but to a whole series of resolutions. I hope that hon. members who have expressed themselves so clearly in favour of this resolution will, when this measure becomes law, be just as enthusiastic about proselytizing the public and making them aware of its provisions.

Mr. Orlikow: Mr. Chairman, members of all parties have, as one might expect, greeted this resolution and the speech the minister made when introducing it with almost unanimous accord. As far as they go the proposals are excellent. It has been apparent for a long time from speeches made across the country and briefs presented to government by labour organizations and economists that our manpower training program has serious defects.

The Canadian Labour Congress and its affiliated unions made representations to the government about the fact that allowances paid to workers who were in theory being encouraged to avail themselves of retraining programs simply failed to provide the funds necessary to enable them to live in any kind of decency and to provide for their families. Similarly, the provision that money paid to them during training should be deducted from unemployment insurance benefits led to a situation where many workers either declined to take training programs or else failed to complete their courses. There is no means of knowing how many people failed to complete their training simply because they could not afford to continue their courses but it must have been a large number. However, hon. members can certainly greet the present program with enthusiasm even though some of us may feel it is coming several years too late.

As usual, however, instead of dealing with all the implications of this complex problem we are concerning ourselves with only two of the more important aspects. The Canadian Labour Congress, in its statement of economic policy approved at its convention in April of this year, listed a number of points which were considered to be important in regard to the question of manpower. I wish to put them on record, Mr. Chairman, because it will become obvious as I read them that we are dealing in this resolution with only two of a number of problems. Basic programs should, the congress says, include:

1. A continuing, up-to-date research program to carry out analysis and forecasting of changes in the labour market.

2. A nation-wide network of adult training centres to retrain men and women for new jobs requiring higher or different skills.

3. A massive program of technical-vocational training for adolescents and pre-employment youth to prepare them for the kind of labour market they will face on leaving school.

4. A program of financial and other assistance to workers and their families who wish to move to other parts of the country in the pursuit of employment.

5. A program of financial assistance to maintain workers during retraining or during a transition period between jobs.

6. A first-rate placement service.

7. A program for the recruitment of immigrant workers, related to the Canadian labour market situation, and for their integration into the labour market.

8. An education program to inform employers, workers and youth of the changes occurring in the labour market and the benefits to be derived from manpower programs.

The hon. member for Peterborough suggested that this last item was a job which members of parliament could do. I disagree with him completely. There are members of parliament who have close connections with trade unions. There are members who have intimate relations with employers in their areas. But there are very few who have close connections with all sections in their constituencies and who have the time or the facilities to do the job of information servicing which requires to be done. It is obvious it is the government which must do this job.

One of the severest criticisms of the national employment service on the part of both employers and employees is that they do not know what services are available from N.E.S. and that that organization in turn does not know either what the employers need or what opportunities are available. I believe that the government must not only set up a manpower program but go out and inform employers and employees alike of what the government manpower service has to offer.

A manpower training program is bound to be a failure if the government does not establish a research organization to keep in close touch with employers and employees

and study employment trends as they develop. Its staff, including highly skilled sociologists, economists and statisticians, must keep in touch with the Department of Industry as well as with individual industrial organizations so that it is in a position to know what employers are likely to need in the way of manpower in the period of one to five years ahead. Unless this is done the manpower program which the government is announcing through this resolution will be to a large extent wasted.

The program now provides for the payment of up to $90 per week to workers who are being trained.

• (5:40 p.m.)

Under this provision workers can afford to take the training without losing money and without their families being put in a position in which they are not able to meet their basic financial needs. But along with this program of training grants the government must reconsider and change its policy with regard to moving allowances. The program we now have for making loans to workers is simply not good enough.

I trust, as a result of the manpower training program which the government has initiated and the training grants which the minister announced, that a large number of workers will take this opportunity to acquire new and necessary skills. But it will be of little use to an unemployed coal miner on Cape Breton Island if after taking such a course the cost of moving himself, his family and furniture to another job runs to $1,000 or $2,000. A loan of $2,000 repayable in two years at 6 per cent interest is a substantial debt for any worker who has been unemployed.

I suggest that in addition to the government's present proposal it change the system of making loans to workers to a system of making grants so that if there is no work in their own areas they can move to areas where there are jobs. Such a program has been in effect in most of the countries of western and northern Europe for many years. It has been proposed in this country on a number of occasions by labour unions. It has proven itself worth while in countries much smaller than ours, countries in which it is much cheaper to move to a new job than in a country like Canada which stretches for thousands of miles from coast to coast.

[Mr. Orlikow.]

I suggest that the government give serious consideration to paying the cost of moving workers to new jobs. It should also give serious consideration to emphasizing the necessity for on-the-job training. It should stress to industry and unions the necessity for such training and should participate financially itself.

The largest union in Canada, the United Steelworkers of America, conducted a survey of plants it had organized and with which it had contracts to see what these plants were doing in the way of on-the-job training, and what it found is indeed a sad commentary on what is being done in this country. A report submitted by Mr. Michael Fenwick of the United Steelworkers to a conference sponsored by the Canadian Labour Congress in Ottawa last year, at which the minister also spoke, stated:

> Of the 488 plants, mines and mills under union agreement in 113 communities in the five provinces, 450 returned completed survey forms. Only 1,404 of the 97,604 workers in these industries were receiving any training. Four of five plants and mines covered by the survey do not train any apprentices. More than two-thirds do not provide any on-the-job training to prevent workers from becoming obsolete and unemployed.

Farther on he reported:

> The survey showed that the basic steel, fabricating, aluminum and mining companies under contract to the union had only 505 apprentices. Another 899 workers were receiving on-the-job training. Metal mining is one industry which is experiencing a shortage of skilled men. Its response to this shortage is to seek experienced mine workmen from Europe and other foreign labour markets rather than train Canadians.

Canadian industry, which is faced with a tremendous shortage of skilled workers and is going through an unprecedented period of prosperity and profits, needs to be convinced that it has a social responsibility to play its part in the training of skilled workers. The government ought to take a lead in convening joint industry and labour conferences across the country at which the necessity for on-the-job training would be emphasized.

I realize there are constitutional difficulties. I realize that education is a provincial responsibility, but I do not believe any provincial government would refuse to co-operate with the federal government and with the department of manpower when it is established in urging upon industry and labour that they should play an aggressive part in helping Canada get the skilled and trained manpower which is required.

I want to close by quoting a couple of paragraphs from a report made by Mr. Larry Sefton, director of district No. 6 of the United Steelworkers of America, on May 13, 1965, to a national policy conference. In respect of this particular problem he said:

> To wait for customers to come into the government store is a gesture of futile optimism. The government must send its experts into the field. It must pass the laws needed to provide for a periodic inventory of our manpower resources. It must chart a master statisitcal inventory which will provide finger-tip data as a basis for well planned action.
>
> Above all, it must develop a positive philosophy of investment in manpower which will guarantee the full use of the skills and productivity potential of Canadian workers.
>
> Vigorous training and upgrading programs must also be included in any effective handling of manpower policies. And provisions must be made to pay displaced workers a living wage so that they can remain in the consumer market as long as thev are unemployed.

With the exception of what is mentioned in the last sentence, none of the things which Mr. Sefton listed as required is yet being done or has yet been publicly proposed by the government.

I conclude by again commending the minister and the government for the beginning made by introducing this resolution which is the first step toward implementation of the basic requirements of a meaningful manpower policy. Before this session ends I hope the minister will also deal with the problems he has not yet dealt with but which are of as much importance as the two he outlined in his speech the other day. If he does not, then, as so often happens in this country, we will have solved two problems having to do with manpower and created six or eight other problems just as serious as the ones we have solved.

[*Translation*]

Mr. Lefebvre: Mr. Chairman, I shall only take a few minutes to congratulate the Minister of Citizenship and Immigration (Mr. Marchand) on the action he has taken and which shows his interest for the labour class.

This measure is very important, in my opinion. The people who will benefit from this retraining program will no doubt be better citizens because they will earn higher salaries and enjoy a higher standard of living.

• (5:50 p.m.)

[*English*]

Because people have not had the opportunity to have technical training in their youth, there is no reason why they should be forced to continue their lives in this fashion. With the great amount of technical development taking place in our country today, including automation, it is essential that those who have the ability to learn be given the opportunity to do so. I feel it is important that not only our youth but also those of an older age who need the training and have the desire should have the opportunity to better themselves.

[*Translation*]

I think it is also important to point out, Mr. Chairman, that the federal government will reimburse the provinces in a proportion of 90 per cent in addition to the $35 a week allowance up to a total of $90 a week.

[*English*]

We all know this resolution will not solve all our unemployment problems but there is no doubt it is a major step forward. I do not believe the recipients of the retraining allowances will care very much whether the minister is known as a new-wave Liberal or by any other name. The important thing to them no doubt will be the fact that there will be adequate allowances available for those who qualify.

[*Translation*]

Mr. Laprise: Mr. Chairman, I want to seize this opportunity to support the resolution. In my opinion, what the Minister of Citizenship and Immigration (Mr. Marchand) proposes today is intended to improve the technical and vocational training program for the unemployed and for persons displaced by technological changes in industry and the services.

I believe, Mr. Chairman, that this measure comes after an act passed and applied some years ago. An improvement of the said act was needed and it is timely because it is wanted by all our people.

I am of the opinion that up to now the present act providing for the training of workers, unemployed and persons displaced by the new industrial processes did not yield the expected results.

Industrial development is essential but the only sound economic system is the one which will produce and distribute the maximum amount of goods and services with a minimum amount of work and effort. The objective of any modern democratic government is to bring machinery under control and to free humanity, but at the present time, it is the

machines which are reducing humanity to slavery because of a fundamentally wrong financial system.

One must not blame industry or private enterprise for wanting to improve their services and to cut down production costs, because all Canadians will benefit from such measures. But since our financial system has not recognized that, the government must face crises and problems of widespread unemployment, poverty and destitution.

The government has just realized that our labour force is ill-prepared to face such a development in our industries and it declares itself ready to cope with the crisis which has been existing for a few years already, by making more attractive the training methods of displaced workers and the unemployed.

However, in spite of all the combined goodwill of governments, employers and trainees, I doubt that we will achieve full employment because our industries produce at an increasingly rapid pace with a decreasing number of people.

I remember that just a few years ago, an oil refinery survived a strike which lasted quite a long time, without any decrease in its production. That is to say that the industry in question, with only a few directors, was able to maintain its production. There is more to be done than simply train our workers; we must assure them of adequate purchasing power so that they may enjoy a standard of living proportionate to the wealth of our country; as our country develops, our workers must be more secure.

The effect of this resolution will be to allow some workers to acquire a better knowledge of the requirements of modern industry and business.

I hope that the bill which will follow this resolution will contain such provisions so as to allow the people having attended those courses to find a job without prejudice to those already on the spot. To that effect, we will have to create new jobs by transforming our raw materials, here, in Canada, for the benefit of our fellow citizens.

• (6:00 p.m.)

The minister undoubtedly has details to give to the committee on the number of unemployed and displaced persons who will be eligible under that improved program because I see that up to now it has not been a real success.

He will probably give us also details on the cost of such a program, as as he sees it. It remains to be seen how far the provinces will want to go with regard to that program because it is a joint program and Quebec has already made known, I believe, its desire to avoid such programs.

The minister will want to tell us no doubt how far the negotiations with the province of Quebec have gone because I think that the latter is the one most affected by employment problems for well-known reasons.

What the worker is looking for, Mr. Chairman, is the assurance that the value of his work capital will be recognized and I am pleased to tell the minister that I support this resolution, hoping that it will bring more welfare and dignity to disadvantaged Canadian workers.

The Chairman: Order. It being six o'clock, the house will now proceed to consideration of private members' business in accordance with standing order 15(3).

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Speaker: Order, please. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Skeena (Mr. Howard), Grain—Prince Rupert, B.C., increase in elevator capacity; the hon. member for Roberval (Mr. Gauthier), Canadian National Railways—allegedly unilingual manual for signalling courses; the hon. member for Comox-Alberni (Mr. Barnett), United Nations—proposed jurisdiction over high seas and outer space.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions for papers and public bills.

PRIVATE BILLS

Mr. Basford: Mr. Speaker, I believe there is an agreement as to priority of procedure on these bills. My understanding is that item No. 6 on the order paper standing in the name of the hon. member for High Park is to be taken first, to be followed by item No. 13 standing in my name, to be followed by item No. 1.

Mr. Howard: Mr. Speaker, that is my understanding too, and because of the peculiarities of the situation in respect of the first two bills to be called this is an agreeable course of action to follow.

Mr. Speaker: Do we have unanimous consent for the proposal that we call No. 6, No. 13 and No. 1 as they appear on the order paper, in that order?

Some hon. Members: Agreed.

THE TRUSTEE BOARD OF THE PRESBYTERIAN CHURCH IN CANADA

Mr. A. J. P. Cameron (High Park) moved the second reading of Bill No. S-20, respecting the trustee board of the Presbyterian Church in Canada.

Mr. Howard: Mr. Speaker, I think that at this time, especially because this bill is being proceeded with by unanimous consent, the sponsor should give some explanation.

Mr. Cameron (High Park): Mr. Speaker, the trustee board of the Presbyterian Church in Canada was incorporated by chapter 64, Statutes of Canada, 1939, for the purpose of acquiring, taking and holding and dealing with real and personal property of the church.

There has been only one amendment which is found in the Statutes of Canada, 1962-63, chapter 23. It widened the field of investment to include investments in which a Canadian insurance company might invest and granted power to establish plans for gratuities, pensions, superannuation, etc., for ministers or former ministers of the Presbyterian Church in Canada. Section 23 was also added clarifying the refernces in the act to the board of administration or the administrative council.

At the present time the trustee board consists of seven members, being the number established under the act of incorporation. Because of the increasing work of the board it is desired to make provision for enlarging the number of members to a maximum of 15 and, until otherwise determined by the general assembly of the church the board shall consist of nine members.

While not legally obligated to do so, it has been the practice to appoint the chairman of the administrative council and the treasurer of the church to the board. Because of the nature of their offices it is desired to make these appointments mandatory. However, it is possible that the office of the treasurer of the church might at some future time become a permanent paid position or, alternatively, might cease to exist under that name. In either of these two events it is desired to appoint the person holding the position of chairman of the finance committee of the administrative council, by whatever name the position is called, to the board in place of the treasurer. Here again such an appointment would only be effective if that position was not a paid position.

At the present time the board invests separately all trusts and funds under its administration. Because of the substantial increase in income which can be obtained by so doing, it is desired to consolidate those of the church's investments which it is not prohibited from consolidating by the terms of the instruments creating them.

Because of the experience, knowledge and facilities available to them but not readily available to the board, it is also desired to give the board power to employ professional advisers to assist in making these investments. The board would of course at all times retain an overriding control over the activities of such professional advisers.

Because of the amendments proposed with respect to the membership and tenure of office of the board it is desired to substitute a new section for the old section 21 in order to bring the language of that section into line with the amendments. In addition, as the general assembly has recently approved a new code of regulations it is felt that reference to these should be made in the present amendments.

As the general assembly meets once a year only, and as there often arise decisions relating to the trustee board's work requiring implementation between meetings of the general assembly, it is considered essential that the general assembly be authorized to delegate its power of approval to the administrative council or to the executive thereof. The general assembly will have the power to revoke any such delegation at any time. Those are the proposed amendments, Mr. Speaker.

Mr. Frank Howard (Skeena): Mr. Speaker, we agreed to proceed with this bill first because there is some urgency to pass it. I point out, however, that there may be an obstacle in that our rules provide that following second reading of a bill it is automatically referred to one of the committees of the house, in this case I believe, to the miscellaneous private bills committee. We are all

aware of the difficulties confronting the functioning of committees at this time because of the lack of rooms, equipment and staff. Even though the house may now give second reading to this bill it will require some time to consider it in committee and return it to the house, where it will again be considered before third reading. These facts should be taken into consideration by the sponsor of the bill.

This bill is similar to another which was dealt with a couple of months ago relating to Evangelistic Tabernacle Incorporated. They are similar because they deal generally with religious bodies, and I must say that I have similar views about them. I simply do not believe that it is correct for parliament to be concerning itself with the internal operations of the Presbyterian Church or, for that matter, any other church in Canada.

• (6:10 p.m.)

Today we are being asked as a group of politicians to pass judgment upon the worthiness and value of the general assembly of the Presbyterian Church and its considered opinion that there should be a certain number of appointed or elected officers. We are being asked to make a determination whether it is correct for the Presbyterian Church to deal in a certain manner with its moneys. I submit, first, that it should not be the function of politicians to make these decisions and, second, I do not think we are competent to do so in any event.

Some years ago the decision was made that there should be a separation of church and state but in a sense we are now in a very slight way putting church and state back together. I am quite sure that if the Presbyterian Church in Canada met to consider the rules by which Parliament would operate we would become rather incensed about it, even though they might do a much better job than we have. I am sure we would object to an outside body making determinations about who should be our officers or the manner in which we should function. Yet this is what is being asked of us now in so far as the internal functions of the Presbyterian Church of Canada are concerned. I for one do not particularly want to make that decision because I do not think it is any of my business and I do not think it is the business of any other person in parliament or any other part of parliament to make decisions of this nature.

This leads me to another point. I would appreciate it very much, and I am sure others would, if the Presbyterian Church would find some other way of having its internal affairs dealt with so that they will be masters in their own house and do not have to ask the parliament of Canada to endorse their legitimate requirements for their own housekeeping purposes.

Let us look at the explanatory notes of the bill. One of the principal points contained within the bill is "to enable the general assembly to fix the membership of the trustee board at from seven to 15 members, with the membership fixed at nine until the general assembly otherwise determines." As laudable as that objective might be, as desirable as it might be to have the trustee board increased in number, I submit it does not devolve upon me to make that determination or even to be asked to make it.

But unfortunately, Mr. Speaker, this is the way the system works. The act incorporating the Trustee Board of the Presbyterian Church in Canada initially came into being, if I understand correctly, in 1939 by way of a private bill piloted through the parliament of Canada. Because this system was followed at that time the only way in which changes can now be made is by the system and process of private bills.

I wish to take this opportunity to depart a little from the intimate point relating to the bill concerning the Presbyterian Church in Canada to speak in a little broader context. I wish to heavens the government of Canada, which is the body that has control over the order paper and has the authority to deal properly and effectively with the progress of public bills if it wants to do so, would heed the request I am now making not only on my own behalf but on behalf of a great many members of the house. It is that some general law should be passed permitting the incorporation of groups such as this in a more private way than by the parliament of Canada.

In the province of British Columbia, for instance, we have a Societies Act. That act allows organizations and groups to organize themselves in somewhat the same way as a limited liability company. They simply go through the process of filling out an application form and presenting it to the appropriate government body. Upon the application being approved they receive letters of incorporation in respect of the name by which the society or group wishes to be known. I believe this system should exist here. If the government would do that I am sure it would not find any

objection in the house to permitting the incorporation of such groups and allowing their internal affairs to be dealt with by these people themselves.

As I said earlier, I am simply not interested in politicians deciding whether it is correct that the trustee board of the Presbyterian Church in Canada should be fixed at between seven and 15 members. If it is the determination of the Presbyterian Church, or whatever group within that church structure has the authority to make these determinations, that a trustee board of 15 is the correct number, then let it make that decision and put it into effect itself without asking politicians to interfere in the matter.

The same principle holds true with respect to another provision of the bill which seeks to make mandatory what has heretofore apparently been a practice. I refer to the provision that the chairman of the administrative council and the treasurer of the church shall be appointed to the board. As the explanatory note says, this has been the practice. If it has been the practice and the Presbyterian Church in Canada, the trustee board or whatever group has the authority within the church organization to make this decision, considers that the chairman of the administrative council and the treasurer should be appointed to the board, why should we concern ourselves about giving it the stamp of political approval?

Apparently the church has decided that the chairman of the administrative council and the treasurer shall be appointed to the board. Why should we have to give our approval when it is based on, first, disinterest, second, ignorance and, third, a reluctance on the part of politicians to become involved in this way in the internal functions of a private organization such as the church?

This bill also concerns itself with investments. As the sponsor of the bill said, because of the substantial income that might be derived from different sorts of investments they ask politicians to approve their consolidating such investments of the church as may be consolidated under the terms of the instruments creating them so that a greater income may be derived therefrom.

• (6:20 p.m.)

Authorization is also sought for the church to employ professional advisers to assist it in the making of its investments. Again I say I have no interest and I do not believe I should have any interest as a politician in whether or not the Presbyterian Church in Canada should invest its money in a certain way or whether or not it should have authority to employ professional advisers. Why should it not have this authority? Why cannot the church make these decisions internally within the bounds of the church structure itself?

Some years ago I was a member of the miscellaneous private bills committee. At that time, when I first became a member of parliament, I had no idea what was involved in being a member of the private bills committee. One of the first things I discovered was that we were concerning ourselves with divorcing people who lived in Quebec and Newfoundland. The committee was concerning itself also with a variety of other things such as the bill currently before us. At the first opportunity I arranged within my party to get off that committee because I simply did not believe it was the business of a member of parliament in Ottawa to concern himself with whether or not people should be divorced or whether or not a church organization should have a certain structure.

I do not want anyone to draw unkind parallels between the two subjects I have mentioned. I simply mention them because they are facts of parliamentary life. Apart from these remarks I have nothing to comment upon so far as the bill itself is concerned. Let me reiterate what I have said by asking informally through you, Mr. Speaker, if the sponsor of the bill will use his good offices as a member sitting on the government side to communicate with whoever in the government has charge of this matter, presumably the house leader, to indicate that parliament should not be considering such subjects as these? Perhaps he could express with clarity to the minister concerned the thought that if the government will introduce a measure relating to such religious organizations which will simply permit them to become incorporated in a private way by application to whatever body is considered necessary so that politicians will no longer have to concern themselves with the internal functioning of private organizations, we could pass it in a few minutes. I am speaking, of course, for this party. The bill could be discussed before introduction with the representatives of all parties in order to ensure that it meets with the wishes of the religious bodies and parliament.

If such a thought can be conveyed to the government house leader, the Prime Minister or whoever is in charge, then parliament will be better off because politicians will not have

to give the stamp of approval to religious bodies who seek to become incorporated or have their internal powers altered from time to time. It will not be necessary for these bodies to go through the process of coming to parliament in order to have that done. I see you rising, Mr. Speaker, which indicates that my time has expired. I thank you for your courtesy in listening. Someone has just asked me to have a quorum called. I do not know whether we should do that, so I leave it in your hands.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I rise to speak in support of Bill No. S-20. With regard to the remarks of the hon. member for Skeena (Mr. Howard), I would say that perhaps his ideas are good but we cannot blame the Presbyterian Church in Canada for this situation. It is a statutory regulation that a body of the nature of a church—

Mr. Howard: Will my friend permit a question?

Mr. Thompson: —is required to come to parliament if it is to have national incorporation.

Mr. Howard: Will the hon. member for Red Deer permit a question? Am I correct in understanding that the hon. member's interpretation of my remarks was to the effect that they were critical of the Presbyterian Church for this action? If that is the way he interpreted them, he is entirely wrong.

Mr. Thompson: If my friend would be patient, he might have an answer to his question. I think we must understand that the church has no other way but to meet the requirements of the statute and seek such legislation. I agree with the hon. member for Skeena that it really is a redundant procedure because the purpose could be accomplished just as well through the office of the Secretary of State (Miss LaMarsh). National incorporation could be effected through this office for this as well as other similar types of organizations. I say this because I have a particular interest in the matter. While I am not a member of the Presbyterian Church in Canada, the denomination of which I am a member will have to introduce legislation within the next few months to meet the statutory conditions necessary for recognition as a national body. The statutory change referred to is something which must be brought about by the government or brought about by a change in the regulations of the department directly concerned.

• (6:30 p.m.)

I believe that this legislation is necessary if the Presbyterian Church is to carry on its normal activities. I suggest, therefore, that it should have our support. I also suggest that by unanimous consent it might be possible to proceed directly to third reading of the bill. The explanations which have been given are obvious and it is not really necessary to refer the bill to the standing committee which deals with this type of legislation.

Therefore, Mr. Speaker, I hope that this evening we may be able to complete the necessary action by the house on this bill in order that it may meet the need, which we understand is somewhat urgent, of the Presbyterian Church.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I did not intend to say anything, but I think the hon. member for Red Deer (Mr. Thompson) has raised another problem he should consider. If his church wants to bring forward a bill this year we will have to hold another session in order for it to be introduced because the time for introducing bills this session has expired.

The fact that there are so many representations made by different denominations to this house raises the point whether or not we should look at the matter raised by the hon. member for Skeena (Mr. Howard) in connection with an alternative way of bringing forward legislation to incorporate bodies on a national basis in some other manner. I do not think anyone here would disagree that a matter of this nature will not be handled in the manner legislation is normally handled. This body is not directly under the control of the parliament of Canada except as to incorporation. The church is obviously incorporated through its national organization.

If hon. members are not willing to consider ways and means for finding a much fairer way to handle these matters, then we will not make much progress by the way we handle them at the moment. The present method has long since outworn its usefulness and some change should be made.

We are not opposed to the bill receiving immediate attention, Mr. Speaker. I am of the opinion that there is no reason for the bill to go to the miscellaneous private bills committee and therefore I, on behalf of my colleagues, would be agreeable to waiving the standing order which makes provision for

sending the bill to that committee. I do not think anyone here wishes to ask any questions about the internal organization of the church. We will leave that up to them. What we are concerned about is the church having to come here and be dealt with in this manner. I really see no reason that the bill should go before the committee. If the sponsor of the bill wishes to ask for the waiver of that procedure and the relevant standing order, I will support that request. In return I would ask for the co-operation of the hon. member, who has a number of similar bills coming forward for consideration, and ask him to consider the problem raised by the hon. member for Skeena.

The hon. member for Skeena has made the point on a number of previous occasions that we should eliminate the necessity for these bills going through the present procedure. We should find a better method for the incorporation of religious organizations than that used at the present time.

Motion agreed to and bill read the second time.

Mr. Cameron (High Park): Mr. Speaker, I am very gratified indeed at the remarks made by the hon. member for Skeena (Mr. Howard), the hon. member for Red Deer (Mr. Thompson) and the hon. member for Timiskaming (Mr. Peters). If I have the unanimous consent of the house, I should like to move that the house resolve itself into committee of the whole to deal with the bill clause by clause in order to remove it from the order paper. In that connection may I say to the hon. member for Skeena and to the other two who have spoken that I am very much impressed with their arguments. Many years ago I was a member of the miscellaneous private bills committee and I know exactly how I felt about dealing with divorces and so on in which I really had no personal interest. I will take up the suggestion with the house leader and also with the Secretary of State (Miss LaMarsh), and will add my words and arguments to what has been said.

Therefore, Mr. Speaker, I move:

That the house resolve itself into committee of the whole to deal with the bill clause by clause.

The Acting Speaker (Mr. Rinfret): May I refer hon. members to standing order 94 (2) which reads:

After the second reading of a bill, and before its consideration by the committee to which it is referred, the applicant shall in every case pay the cost of printing the act in the statutes, and a fee of five hundred dollars.

I understand that by unanimous consent the house will now go into committee of the whole but I assume that this paragraph of the standing order has been taken care of.

Mr. Cameron (High Park): That is the case, Mr. Speaker.

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

Clauses 1 to 3 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

THE PACIFIC COAST FIRE INSURANCE COMPANY

The house resumed, from Thursday, May 12, consideration of the motion of Mr. Basford for the second reading of Bill No. S-6, respecting The Pacific Coast Fire Insurance Company.

Mr. Frank Howard (Skeena): Mr. Speaker, I think we are in a rather peculiar procedural position here, which is why I rise before the hon. member for Vancouver-Burrard (Mr. Basford). The motion for second reading was moved the other day by the hon. member for Lotbinière (Mr. Choquette) on behalf of the hon. member for Vancouver-Burrard but I understand this does not alter the rule that if and when the sponsor of the bill speaks, as I hope he will, he will close the debate. I did not want that event to occur at this moment because of the reason, if for no other, that we would then have about 20 minutes at our disposal and would arrive at the point where we would be considering the next bill on the order paper which relates to the General Mortgage Service Corporation of Canada.

This would mean that the house would have about 15 minutes at the outside for the consideration of that matter, whereupon the bill would drop to the bottom of the order paper which would injure the position of the hon. member for High Park (Mr. Cameron) and that of the parliamentary agent and they would probably not be the best of friends. We do not want that to happen because these matters should be dealt with in a more orderly way than they were last Thursday when an unfortunate event took place which we are now trying to correct. This is why I wished to make the remarks I have. The other reason was so that I might carry on where I left off on Thursday last.

Private Bills

• (6:40 p.m.)

Mr. Olson: Could I ask the hon. member for Skeena a question? Does he agree that we could resolve the problem raised respecting the time limit were we to pass both item 13 and item 1 now?

Mr. Howard: There would still be a problem because that would bring up item 2 which concerns Bill No. S-11. We would be in the same position no matter what we did. I suggest that a better way would be to call it seven o'clock upon the passage of the bill now before us, which would give some extra time for government business. Frankly, I do not think parliament should be spending its time trying to determine whether or not the Pacific Coast Fire Insurance Company should be dealt with as it wishes to be dealt with, whether there should be a change in name and an authorization with regard to the capital structure. Incidentally this is a subject upon which I have some views; this is something which the Minister of Finance would, I believe, be well advised to take into consideration.

With the increase in the number of such companies seeking to alter their capital structure and increasing their insurance business and with more and more of these companies coming under the control of United States parent corporations, it seems evident that an ever-increasing amount of Canadian money is being drawn out of Canada and used by the parent companies, as the cycle continues, to invest in greater ownership of Canadian industry. I have a general objection to this sort of thing as well as a particular objection to the bill before us in that I believe it is injurious to the economic well-being of Canada and to the prospects of economic control over our own affairs. In this regard I believe we would be far better off if the hon. member for Davenport (Mr. Gordon) were still minister of finance because we might have seen a stronger determination on the part of the Canadian government to protect Canadians from encroachments upon their pocketbooks by foreign-dominated companies.

I do not know how this matter can best be dealt with. It may be unfair to single out the Pacific Coast Fire Insurance Company and to try to incorporate in the bill before us some of the concepts advanced by the hon. member for Davenport in relation to Canadian ownership and the like. One way of approach would be—

[Mr. Howard.]

The Acting Speaker (Mr. Rinfret): Order. I regret to interrupt the hon. member but the time allotted for his speech has expired.

Mr. Howard: Thank you, Mr. Speaker. I had forgotten the exact length of time I had taken the other day.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, we did not have the benefit of hearing the sponsor of the bill explain its purpose on second reading and for this reason I have some questions to ask with respect to this measure which he could perhaps answer when he closes the debate. I have been looking at the bill and I gather we are dealing with a long-established firm. Reference has been made here to acts of parliament going back to the year 1908. Amending bills were brought in in 1920 and 1926. One of the purposes, I note, is to bring about a change in the name of this company. One is naturally curious to know why an old established firm which has been operating under its present name since 1908 should desire at this point in its history to change its name. I can readily understand the feature of the bill which would give to what is described as a new company a name in the French language. We have seen a rush of bills in this house recently some of which had no other purpose than to provide for the legal use of the name of the companies concerned in the other of the two languages of Canada. Generally speaking, these bills have met with approval in all quarters.

In this case we are dealing with a proposal to change the English name of a well established company and this does raise a question in my mind. I do not know what particular virtue may attach to the name "Century Insurance Company" as opposed to the existing name unless it is to indicate to us and to the customers that this is a very old and long-established concern even though it may not qualify for some time, at least technically, for the designation "Century".

• (6:50 p.m.)

I am concerned lest this proposal for a change in name may be the forerunner of a rash of similar applications. I recall we were once asked to approve a change of name proposed by a finance company. The company wished to change its name to "Beneficial Finance Company". I seriously questioned the advisability of permitting such a change because, as I said at the time, I thought the proposed new name was misleading. It did

not spell out that the primary purpose of the bill was to be beneficial to the particular finance company rather than, as may have been implied, to the customers. So, as I say, this kind of proposal raises questions in my mind.

I remember suggesting a number of names that might be used by finance companies. I do not recall this with the idea that insurance companies should adopt the same type of names, but I remember suggesting "Salubrious Finance Company", and there are any number of synonyms and related terms to be found within the richness and variety of the English language. I am not suggesting there is necessarily that kind of implication in this change of name by the Pacific Coast Fire Insurance Company, but it is a matter upon which the hon. member for Vancouver-Burrard, who is sponsoring the bill, might have a word to say before he closes the debate.

I note that there is another proposal which provides for an increase in the capitalization of the company. I would be interested in knowing the reason for this and I hope that the hon. member for Vancouver-Burrard, in view of what transpired when the bill was originally introduced for second reading, will take time to enlighten hon. members on the points I have raised.

The Acting Speaker (Mr. Rinfret): Order. I would remind hon. members that if the hon. member for Vancouver-Burrard speaks now he will close the debate.

Mr. Ron Basford (Vancouver-Burrard): Mr. Speaker, may I first express my real appreciation for the courtesy of hon. members in making the arrangement by unanimous consent at the beginning of private members' hour to allow this bill to come forward in the way it has. I, the parliamentary agent, and the members of the company appreciate very much the courtesy of the house in this regard.

In closing the debate, having been unable to open it, I should like to say a few words about the bill and to answer the questions raised by the hon. member for Comox-Alberni (Mr. Barnett). As he stated, the purpose of the bill is to change the name of the Pacific Coast Fire Insurance Company to The Century Insurance Company of Canada and, in French, La Compagnie d'Assurance Century du Canada, and to provide for an increase in the capitalization of the company from $1 million to $2 million.

The Pacific Coast Fire Insurance Company was originally incorporated as a provincial company under the laws of B.C. in 1890. In 1908 it applied to parliament and received federal incorporation. Since 1928 it has belonged to what is well known in the industry as The Century Group of insurance companies, which has its head office in England.

The head office of the Pacific Coast Fire Insurance Company is located in Vancouver, B.C., and it presently carries on business in every province of Canada except P.E.I. and writes contracts of insurance in the United Kingdom and the United States.

Dealing with the reason for the change of name, the Pacific Coast Fire Insurance Company, which is part of the Century group, is owned by the Century Insurance Trust Company of England, which again is owned by the Friends Provident and Century Life office. This is the Century group of companies which operates in Vancouver, and the reason for the change of name of the Pacific Coast Fire Insurance Company to the Century Insurance Company of Canada is a matter of internal reorganization by which the company, under the new name, will emphasize the Century Insurance Company name. It will become the central company in the Canadian operations so that it will be the Canadian company, under the name "Century", which will be the principal company in the Century group of companies.

In answer to the question posed by the hon. member for Comox-Alberni, the increase in capitalization from $1 million to $2 million is simply for the purpose of providing funds for further expansion within the group, and it is not proposed that any shares authorized by the increase in capitalization will be sold to the public. The change of name and the increase in capitalization really arise from internal reorganization.

In conclusion I would like to say that I agree with the remarks made by hon. members on the other side that it is a waste of parliament's time to have bills such as this, seeking changes in name and capitalization, come before it because members of parliament are far too busy considering other things. I completely endorse the remarks made by the hon. member for Skeena (Mr. Howard) and the hon. member for Timiskaming (Mr. Peters) that the government and the house leaders of all parties should get

together to discover some easier way to deal with these private bills.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic affairs.

The Acting Speaker (Mr. Rinfret): The hour appointed for the consideration of private members business having expired, the house will resume the business interrupted at six o'clock.

VOCATIONAL AND TECHNICAL TRAINING

PROVISION FOR ALLOWANCES TO PERSONS BEING TRAINED

The house resumed consideration in committee of the following resolution—Mr. Marchand—Mr. Rinfret in the chair:

That it is expedient to introduce a measure respecting allowances to persons being trained under technical and vocational training programs, and to authorize the entering into agreements with the provinces in connection therewith; and to provide further for certain changes incidental thereto in connection with the administration of the Unemployment Insurance Act.

Mr. Herridge: Mr. Chairman, I rise to express my support for the principle, spirit and purpose of this resolution. One of my reasons is that I have always been opposed to the waste of human and natural resources, and this measure will do something to overcome that defect in our society so far as human resources are concerned. I want to congratulate the minister on introducing it. He has a most disarming manner. From reports I get from places he has visited and people he has spoken to I have no hesitation in saying that if there is any one man in the cabinet who will do a great deal to bring about national unity in Canada it is the Minister of Citizenship and Immigration.

This measure provides for government action, I trust planned action, to meet the growing need for trained people in our rapidly changing society. We are living in a different type of society than we did even ten years ago. This type of program, urging the federal government to take the initiative with respect to certain types of training legislation, has been urged by members of this group and our predecessors for more than 20 years.

I remember C.C.F. private members' resolutions urging the federal government to take action along these lines, not only with respect to university education but vocational training, coming before the house and being supported by members of C.C.F. group.

[Mr. Basford.]

Mr. Starr: Would the hon. member permit a question, because from my reading of the resolution his remarks are leading me astray? I am getting the impression from him that this is a new program which is being introduced. Actually this is a program that has been in existence a long while except that the allowances for the persons being trained are being increased. Does the hon. member realize that?

• (7:00 p.m.)

Mr. Herridge: I quite realize that. This measure is an improvement on the former measure to make it economically possible for those who wish to take advantage of these programs to do so. When listening to the minister I was very pleased to hear the figures he mentioned. I am very pleased for another reason. I cannot recall the name of the paper, but I recall reading recently a report which mentioned that the Department of Citizenship and Immigration is carrying on a program of recruitment of United States labour from the states to the south of British Columbia. The report mentioned some figures. I do not know exactly what is being done, but I thought the figures were quite large; several hundreds of persons were mentioned, as being induced to come to Canada.

I am going to be like Lord Nelson and put the telescope to my blind eye. I say this because of a whispered interjection from the hon. member for Skeena.

Mr. Howard: I said there were only 16 members in the house.

Mr. Cowan: There should be more to hear Bert.

Mr. Herridge: Mr. Chairman, I see members coming in.

I am very pleased to see this program being made effective in practice, especially when I read reports such as this. I am referring again to the projects being undertaken in my own constituency where the chairman of B.C. Hydro promised, when appearing before the external affairs committee, that no United States citizens would be employed on this project until they had been resident in Canada for 60 days. I know that at the present time they are coming in and going to work immediately. I do not blame them. I do not know whether they are coming in as landed immigrants or on what basis. I know the minister has some knowledge of this situation. Soon after this measure is put through the house I trust there will be little

need to recruit skilled labour from the United States.

This legislation being something like the ARDA program, is in the nature of an experiment. We know it will have a practical and immediate effect, but it also is one of those measures the effect of which we have to learn, and in respect of that learning we must look for amendments and improvements. I should like to ask the minister two or three questions before I sit down. I should ask him what is being undertaken by his department or his officials in the way of a study of this program, with a view to future amendments or improvements. What is being done to include a study by other groups within the framework of this legislation; that is, what is being done to secure the co-operation of the labour organizations, industry, all the universities, all the farmers organizations, and also the individuals? In my experience I have found that frequently some humble individual has an idea which is well worth paying attention to and giving consideration to.

Also I should like to know what steps are being taken to bring this measure to the attention of those who may be in a position to take advantage of it. I am wondering what sort of publicity there is in this respect, because I think it is very necessary that those who wish this assistance be well informed. I am wondering what type of publicity the minister has in mind. I suggest it should be on as wide as possible a scale and that it be not only through the labour organizations but also through other community organizations which would be interested in co-operating with the minister and his officials in giving this legislation more publicity.

Also I should like to know what co-ordination there will be with other legislation, which has been adopted by the house in recent years, so that this legislation will be part of a national plan to provide and maintain full employment so far as that is possible, and to promote satisfactory production of those things which are required to meet our national needs, foreign markets, and overseas responsibilities.

I do not intend to take any more of the time of the house at this moment, Mr. Chairman, but I should like the minister to answer those questions when he rises to speak, so that we may have some idea of what he has in mind with regard to the promotion of this legislation and so that the people generally can work with him. There are many people who are concerned with and interested in these things. I find that a lot of younger people are interested in legislation adopted in this house, regardless of the fact that there are those who go around the country belittling the progress parliament has made this session. During the last week or two I have been very pleased to see that we have gone along at a very satisfactory rate. I trust that the past unpleasant experiences we have had will soon be forgotten; they simply are a result of the weaknesses of human nature, from which we all suffer.

Mr. Howard: Mr. Chairman, this is indicative of the stupidity of trying to do two or three things at once. We try to have supper and do business at the same time. There are only 17 members in the house at the moment, counting yourself, Mr. Chairman, and we require 20 for a quorum. I do not see how we can carry on our business in this way.

An hon. Member: There are more now.

The Deputy Chairman: I thank the hon. member for reminding the Chair and hon. members that there should be 20 members present to make up a quorum. I am not very apt at mathematics, but I do know that sometimes there is subtraction and sometimes multiplication in respect of the number of members; there are fluctuations. I now see a quorum.

Mr. Howard: Yes. Mr. Chairman, I am sure you now see a quorum. Some members have come in. I just wished to point this out to you and to the other members. I think it is an asinine way to do business.

The Deputy Chairman: I thank the hon. member for his observations. We will now proceed with the business of the house.

Mr. Winkler: Mr. Chairman, I have nothing to say about the objection of the hon. member for Skeena, other than that it has been understood that if by chance we happen to be behind the curtain we are considered to be in the house. I consider this to be a serious matter, because I suppose many members may be in the house on that basis. I feel that too often we are ready to downgrade this institution one way or another, whether it is done here by ourselves or by other persons on the outside who interpret what goes on here. I think we should be cognizant of those who are in the confines of this chamber. I do not expect to leave and I will do all in my power to maintain the quorum.

Vocational and Technical Training

• (7:10 p.m.)

Mr. Cowan: Mr. Chairman, I rise to take part in the discussion on the resolution, but would like to preface my remarks by a statement with regard to the comments just made by the hon. member for Grey-Bruce and the hon. member for Skeena. As most of you are aware, I am a non-smoker. I have made the suggestion in the House of Commons before that we should allow smoking, because if we did we would have a larger attendance. I agree with the hon. member for Grey-Bruce that those behind the curtains should be counted as part of the quorum. I am speaking objectively on the matter because it does not interest me whether hon. members are behind the curtains or not; the fact is that I abstain from smoking.

I wish to comment on this resolution now before the committee, and the angle that caught my eye is that part which suggests that it is expedient to introduce a measure respecting allowances to persons being trained under technical and vocational training programs. We should pass this resolution and the bill which will follow, but I think the field being offered assistance for retraining should be widened.

In this regard I should like to draw the minister's attention to the introduction in the province of Ontario of a new type of nursing education now known as the Quo Vadis School of Nursing. This school has recently been developed and operates on a system of training graduate and registered nurses, accepting students between the ages of 30 and 50. Practically all these students are married, and some are widowed. They have reached the stage in life where they have had as many children as they and their husbands intend to raise. By the time these wives or widows have reached age 36 or 37 the children are all in school and they are left alone at home during the day.

It would be impossible to maintain the hospitals in the Dominion of Canada if it were not for the presence of married women who have been willing to return to the nursing profession. I am sure there can be no argument with the flat statement that 60 per cent of the nurses on the floors of Canadian hospitals today are married women.

No one interested in hospital work in the Dominion of Canada does not thank God for the willingness of these trained nurses who return to hospitals, even though they may be married and have children. Most of them have to make arrangements for the care of their children while they are working, and in fact one hospital in Toronto, which requires a fair sized nursing staff, operates a nursery in the hospital to look after the children of the nurses who work there during the day.

I draw attention to nursing schools deliberately because of the underlying basis upon which some of these schools are operating. The one to which I have referred has the wholehearted support of the Ontario Department of Health because it operates on the basis of training married women from approximately nine o'clock in the morning to 4.30 in the afternoon from Monday to Friday. In view of the fact that many of them have families to look after, these hours are ideal because they can return home in time to prepare the evening meal, and can be at home on Saturdays and Sundays.

Mr. Starr: Mr. Chairman, I rise on a point of order. I should like to ask the hon. member whether he realizes that the question of training nurses does not come under the provisions of this resolution.

Mr. Cowan: Mr. Chairman, I am asking the minister whether he will make arrangements enabling the training of nurses to become part of this program. I developed this idea in my remarks recorded in *Hansard* on November 18, 1963 when we were discussing the Technical and Vocational Training Assistance Act, which was introduced by the previous administration. At that time I said that under the vocational training provisions in the province of Ontario courses for registered nursing assistants were being offered at the Beal Technical School in London, and at the Weston Collegiate and Vocational Institute, which is in the riding of York Humber, under the auspices of the Department of Education of the province of Ontario.

More and more of our registered nurses are being trained under provisions of the Department of Education rather than the Department of Health. I stand here at this time asking the minister whether he will broaden the scope of this assistance provision to include the retraining of housewives. I read with close attention the remarks of the minister yesterday when he introduced this resolution, and I found it interesting, when you consider that I am talking about the retraining of housewives as registered nurses, that his remarks were heavily related to unemployed people who need retraining. I do not think there is any man in the house, or lady for that matter, who is going to suggest that

housewives are unemployed. However, if we are willing to spend money to retrain unemployed individuals in order that they can change their occupations or, as the minister said in one of his statements, so they can change their status in the labour market, surely we should be willing to consider assistance to housewives who are willing to pursue a nursing career, even though they may be 36, 37 or even 50 years of age.

At the present time the Quo Vadis School of Nursing limits its enrolment to 40 students a year, I believe. This school has been in existence for two years and has an application list for enrolment in the neighbourhood of 200. To the amazement of this school's administration, these applications come from all parts of Canada. I think I can speak knowingly in this regard when I say that the Ontario Department of Health felt that the applications would be received largely from metropolitan Toronto, in order that the students would be able to return to their homes after the day's class. I should have believed this to be true. But when the Quo Vadis School of Nursing received widespread publicity, applications came in from as far away as Vancouver from girls who were willing to look after their own board and room, because they wanted to change their occupations from stenographers and computer operators, even though they had reached age 35, 36 or over. These girls were willing, as I have said, to look after their own living expenses for a two or three-year period. This course to which I have referred is a two-year course, the third year being a paid internship year. The Quo Vadis School of Nursing is now in its second year of operation and will be graduating its first class of nurses this spring.

I should like to ask the minister whether he will seriously consider enlarging the scope of this training program to take in nursing education so that housewives can train at institutions such as I have mentioned—Beal Technical School, Weston Collegiate and Vocational Institute and Ryerson Polytechnical Institute, where the Department of Education is supporting a three-year graduate nurse course.

The shortage of trained nurses in Canada has been a problem for many years. Many people oppose the suggestion that nurses should be trained under the auspices of the Department of Education because they believe they should be trained under the auspices of the Department of Health. Why is it women are trained for all other fields under the Department of Education, except the nursing career which is under the Department of Health. If the departments of education of ten provinces can train doctors, optometrists and physicians of every hue and colour, why can they not train nurses?

If the training of nurses is kept exclusively under the jurisdiction of departments of health this will mean added expenses to medicare and hospital services insurance plans throughout the country. We should transfer to the Department of Education the program under which nurses are trained through grants from the Department of Health, in order to properly relate the cost of educating these people. We should not keep these costs associated with the Department of Health, because the costs of that department are inflated at the present time by these costs.

The remarks of the minister last night were very appropriate and he is to be commended in this regard. However, if you study them you will have to admit that if we are willing to retrain a welder, for example, as a body builder in the automotive industry, we should be willing to train housewives as nurses, those who are anxious to pursue that as a new career.

• (7:20 p.m.)

We need, and must have, an increased number of nurses in order to staff the ever-increasing number of hospitals required because of the increase in population due to births and immigration, and the medicare plan which will be on a national basis very, very shortly.

When the student loans program was first introduced by the previous minister of finance, I rose at that time and pointed out that the loans would be available to young people going to universities, colleges and schools, and asked the then minister if he would not make these loans available to children who would be going to hospital schools of nursing. Hon. Walter Gordon said that very evening that it would be done, because a girl going to a hospital school of nursing was entitled to as much assistance as a young lady who was going to college to be a teacher, artist or sculptress. I sincerely hope, and really believe, that the Minister of Citizenship and Immigration who will soon, we understand, have under his control the portfolio of manpower, will give favourable consideration to this request that we give

allowances, through the medium of the provinces, to those housewives who are willing to enrol in such a school as Quo Vadis.

I believe the Quo Vadis school idea will spread right across the nation. We should give these women assistance in retraining in order that we will be able to meet the demand for nurses from the Atlantic to the Pacific.

Mr. Olson: Mr. Chairman, I wish to speak for only a few minutes on the proposals that have been advanced in the resolution now before us. I should say at the outset that it would be very easy to embark upon a fairly long discourse about the rapidly changing technological skills that are required in most vocations at the present time, and some of the problems that people encounter when they find their skills have become, as it were, obsolete. However, I am not going to do that because I think the minister and several other speakers have already covered some of this ground adequately.

I was interested in the minister's statement when he introduced this measure, and I am not completely clear as to the distinction between the $35 per week, to which he referred at one point as a basic allowance, and the $55 per week that would be added to, I presume, and be part and parcel of the unemployment insurance benefits. I am not clear whether this is available to those people who are eligible for unemployment insurance benefit and who also participate in this vocational and technical training program. Therefore, whether the minister does it when he closes the debate on this particular stage or when he introduces the bill, I think we need a somewhat expanded explanation of these two areas of payment and under what circumstances they will be available.

I think we have come quite a long way over the past seven or eight years with respect to providing technical and vocational training in Canada. Certainly it is not very long ago that many of the provinces, in co-operation with the federal government program, spent huge amounts of money in building technical and vocational training schools. The next logical step, I think, is embodied in the proposal now before us, and therefore we in this party wish to give support in principle to what is happening.

The last few words in the resolution state that there will be certain changes incidental to this program in connection with the administration of the Unemployment Insurance Act, and I hope the minister will give us a somewhat more complete explanation of the relationship between unemployment insurance benefits and the allowances to be paid to trainees under this bill. Perhaps he would like to do it when the bill is before us, following passage of this resolution; but whenever he chooses to do it, I think this point needs further explanation.

As I read what the minister said when he introduced the resolution, it seems to me that some extra allowances will be paid; that seems to be clear. I am pleased that there is an incentive approach to this training rather than perhaps what could have been introduced by way of penalties in unemployment insurance benefit for those who did not take advantage of the technical and vocational training facilities that are available. As I said, Mr. Chairman, I wish to be brief. Perhaps the minister intended to cover this area, but I simply want to encourage him to do it either when he closes this debate or introduces the bill.

Mr. Dinsdale: Mr. Chairman, just before the minister replies I have a brief inquiry, rather than a statement, to put to him. I pursued this subject two or three weeks ago on the orders of the day, and it seems to me that the resolution brought forward by the Minister of Citizenship and Immigration provides the opportunity to inquire directly once again whether the matter I raised at that time is to be dealt with under this proposed amendment.

Members of the committee may recall that I was concerned that teacher training generally be included under the vocational and technical retraining program. Up to the present moment the assistance for teacher trainees has been restricted to those teachers who will be directly involved in instructional work in technical and vocational institutes, on the premise, I presume, that this is an area that can be justified for Ottawa's participation under the constitutional situation with respect to educational responsibility. However, it seems to me that if we are to achieve the very desirable end outlined by the minister in his initial statement on this matter, in a world of work that is changing rapidly due to increased technology, automation and all the other phenomena of our modern industrial civilization, and if we are to adequately provide increased training, the necessity for teachers of all kinds is basic.

We know that one of the critical problems in the field of education at the moment is the chronic shortage of qualified teachers. Just last week we had the Canadian Teachers' Federation meeting in the city of Ottawa. I understand that at that meeting the point I am raising at the moment came under discussion. The purpose of the meeting was to deal with the problem of teacher training, standardization and certification. That group felt that because of the increased demands being placed on our limited teacher resources, if they could be brought under this general program it would be a tremendous boost in helping to fill the gap. Now I think it applies more perhaps to women trainees than it does to men. I know, because I have run up against situations in which we have found difficulty in bringing such potential trainees under the act. I refer to married women who have high school training, have been married for a number of years, have become widows left with small children or have been deserted by their husbands.

• (7:30 p.m.)

This is a social problem with some magnitude in Canada. Some of them are trying to carry on with widows' allowance, or whatever welfare allowances are available under our welfare program. In view of the subsidies paid under the vocational and technical program, they have endeavoured to be admitted to teacher training colleges, but have found under the regulations as they exist at the moment they cannot receive the necessary support.

If they are going directly into teaching and technical schools, they can receive that support. If they are going to engage in teaching activities generally, then they cannot. There is a specific regulation which creates the barrier. At the present time I understand the President of the United States has, as one of his pet objectives before Congress, the establishment of a national teacher corps on the premise, again, that if we are going to gear up our training facilities to the demands of a technological society we have to create very quickly a whole new group of qualified teachers.

Perhaps the minister has already taken care of this deficiency. If he has, I can desist from my comments at this stage. If he has not taken care of this particular oversight, I am sure he will agree that if teacher training under this program is limited to one specific category of teachers for technical schools, it is quite inadequate. Any retraining program which is to deal with problems of unemployment or retraining, as is the purpose of the proposed legislation, of course will require people who can provide the basic skills to prepare the retrainees, so that they might go to the specialized training categories of the various vocational and technical programs. Until this matter has been attended to I do not believe we can have a proper program, because it is a part of the program that is urgently required.

Mrs. MacInnis (Vancouver-Kingsway): There is a matter I should like to raise which is of tremendous importance to a great many women across this country, and to our whole society in general. When we consider that about one third of the working force in Canada are women, and that about one third of the women who are gainfully employed are married women, I think we will have to come to grips with providing facilities to look after the children of these married women who are employed outside the home. In Canada we are a long way behind in the provision of facilities. I do not want to attempt to go into such matters as shortened work days or other matters of that kind.

I should like, under this resolution, to discuss the need for doing something about nursery schools under the subsidized vocational training program. I believe that in Canada we are exceedingly short of nursery schools in practically every place you like to look. I have talked about this matter with a great many people over some period of years now. I know that women with young children who go out to work have to leave the children in very unfit places, or make sketchy arrangements for their care. This is true of both young children of nursery school age and older ones.

I want to talk now about nursery school training for these schools, which we should have. I think there are two groups of people whom we should be training. The first would be the young girls who are leaving high school, perhaps grade 10 even and certainly grade 11. I feel there should be some vocational training course open to them whereby they can take training to become helpers in nursery schools. I should like to have an explanation from the minister as to why it would not be feasible. If we can pay young boys who are training to be plumbers or electricians during their period of apprenticeship, then I do not see why it would not be feasible to have such a course for young girls leaving high school. They could take this

training as nursery school helpers and be available for the nursery schools which we need so badly across this country. There are a number of reasons why this should be done.

For one thing, we have complaints from a great many sources these days that young girls are growing up without any preparation for marriage, running a home or looking after their own families. I cannot think of anything which would be better—

The Acting Chairman (Mr. Cameron, High Park): Order.

Mrs. MacInnis (Vancouver-Kingsway): What is the matter with this?

The Acting Chairman (Mr. Cameron, High Park): The resolution the hon. lady is discussing concerns allowances to persons being trained under the technical and vocational training programs. I think perhaps, with deference, the hon. lady will admit that she is wandering from the subject.

Mrs. MacInnis (Vancouver-Kingsway): I am not wandering far from the subject, with all due deference. Over here, we had a member speaking about the need for training married women in nursing courses because we are short of nurses. We are abysmally short of nursery schools, and this matter should have been mentioned years ago under vocational training. I am exactly dead on the subject.

If we are going to have any vocational training in this country we should be training young girls to become helpers in these nursery schools. I am suggesting we try to train them on the same basis, and make available to them the apprenticeship system which we make available to young fellows who embark on careers suitable to them. This is only half of the picture, Mr. Chairman. I believe, with deference, that this other half is equally relevant because you cannot have nursery schools without supervisors for them. As a matter of fact, I think one reason this subject is not considered relevant is the long time that has elapsed since we have had subjects of this kind discussed which are so relevant to the women of this country. We have discussed them at times in the house, but not nearly often enough. When these subjects are mentioned, therefore, one tends to think they are not relevant. However, they are tremendously relevant to vocational training.

There should be vocational training for older women who could act as supervisors for nursery schools, which are long overdue in this country. I know there is some desire to have university courses, which exist now, adapted for the training of supervisors for these nursery schools. This would be ideal. However, I believe that married women whose families have grown up could take training under a subsidized vocational training program to learn to become supervisors in nursery schools. I know there is some nursery school training now for supervisory personnel. Many of the older women do not have these tremendously high academic standards, but their qualities as homemakers and mothers fit them for this work.

• (7:40 p.m.)

I should definitely like to urge this course at this time, when we are observing rising economic pressures on married women who go out to work. In order to keep homes in this country intact, instead of seeing them disintegrate through crime, delinquency and neglect, during our consideration of a manpower policy and the subsidization of vocational training I should like to see provision made for courses at nursery schools both for supervisory personnel and nursery school helpers.

[*Translation*]

Mr. Marchand: Mr. Chairman, I should like first to thank the house for its sympathetic reaction to the introduction of this resolution, and for the kind words some members addressed to me.

Of course, Mr. Chairman, I have no illusions. I am well aware that, at other times, the circumstances will be less favourable. I shall make up a reserve of good will in order to take the subsequent blows more easily.

There is one thing that I should like to explain differently at this time. Mr. Chairman, the special feature of the resolution now before the house and of the bill to follow, is not so much the amount of allowances to be paid to the unemployed or jobless,—even though I am quite satisfied with the suggested increase, but what is important and fundamental—if I went back a few months I would say revolutionary—is this new concept included in the resolution, that vocational training and retraining in Canada be part and parcel of the life of the worker. In other words, the person going back to training for reasons known to everyone, the person returning to school will no longer be considered lowered human being; on the contrary, going back to training will be accepted as normal in the life of a worker and because it is normal, he is provided with a salary enabling him

to maintain his standard of living while studying.

In my opinion, this concept puts into concrete form all these great theories and eloquent speeches often made on the evolution of technology, changes and new conditions in industry. These innovations must give rise to new concepts and new measures.

Such are the ones before us. It is not only a matter of money; it is above all and essentially a concept which leads us to accept the fact that fast developments in industry must not be at the expense of the workers and prejudicial to men.

Some hon. Members: Hear, hear.

[*English*]

Mr. Marchand: The hon. member for Argenteuil-Deux-Montagnes mentioned that we should have stipulated $1.25 instead of $1 by way of basic allowance. According to what he said this would have been more in accordance with the minimum wage standards of Canada. I think that we have to take into account the supplement which in most cases will be paid, and which in some cases would amount to $90 per week, which is much more than $1.25 per hour. So I do not think we are in conflict with the minimum wage provisions laid down by the federal government.

The hon. member for Waterloo South said that we should consider the situation of the poorer provinces which, as a matter of fact, supply the richer provinces with skilled workers, and for which they pay. I think the hon. member will agree that this program which is under study is not so expensive for the provinces because the federal government will pay the first $25 per week and will pay 90 per cent of the additional allowances made to the workers.

This means, Mr. Chairman, that the cost to the provinces will be about 5 per cent; so I do not see, in view of the smallness of the amount, how we could find a formula which would be just for everyone. We have to take into account the number of students who will profit from the program and find a way to reimburse the provinces. I do not think it is worth while developing this point now, but we may be in a position to discuss it in further detail when the bill is before the house.

Some hon. members mentioned we should publicize this program a great deal, and I entirely agree. If we want the program to be efficient, then I think we must give it much publicity so that workers and institutions know that the program exists and that profit can be had from it.

The hon. member for Okanagan-Revelstoke mentioned it was unfortunate that this plan applies only to those covered by the Unemployment Insurance Act. I think he would find a reading of my speech made yesterday worth while. I made it clear in the speech that it is not restricted to those covered by the Unemployment Insurance Act. As a matter of fact, the self-employed in the fisheries industry and the logging industry—

Mr. Johnston: That was not at all the intention of my remarks. I was suggesting that the Unemployment Insurance Act should have wider coverage than it has.

Mr. Marchand: Then I must have misunderstood the hon. member.

[*Translation*]

The hon. member for Halifax (Mr. McCleave) expressed the fear that it would be easy, in view of the substantial allowances, to create permanent students, that is inasmuch as the weekly allowance is quite high, some workers might flit from one course to another and thus remain permanent students at $80 and $90 a week.

I feel that such a danger does not exist. The only people who will be eligible for those allowances are those who will be asked to take courses by the National Employment Service or the new manpower service. Therefore, to be sure, not everyone will be able to contact our service and ask to take a course. Only those who will be out of work or under-employed will be eligible and the slightest abuse will be quickly detected. I do not think that we are faced there with a real danger.

A lot has been said also about training in plants, that is on-the-job training. There is a special program for training in plants; it may not be as generous as the one we are talking about today. The federal government pays up to 50 per cent of the cost; I think it even goes as far as 75 per cent—I will correct the figures if I am wrong—that is to say we reimburse the provinces up to 75 per cent of the training costs.

Is there room for improvement? There is no doubt about it. However, I feel that we cannot, as a first experiment, include in that new program all the others, or the nine or ten existing programs for vocational training and retraining.

Several members said that we should put the schools of nursing on the same footing. I think that the Quo Vadis school of nursing, which was mentioned is an extremely valuable school, and I think that it can get a grant through the Department of National Health and Welfare, something we cannot do through a system of vocational teaching. I was asked to give that matter some consideration, and I certainly will.

The same thing applies to children's nurseries which constitute a fundamental problem in our modern industrial world. We are all happy to see that women are taking part in the country's prosperity. Two million of them are working. Although we welcome their contribution, we must solve the problem that their employment creates in families, cities and industries. However, we must use a method different from the one we are considering. Nothing would prevent us from using one of the programs already in force. As soon as possible, I should like to have a closer look at it.

I am sure that we cannot extend to students the allowances provided here. They are intended not for students, but for the unemployed or the underemployed. If we offered $90, $80 or even $50 a week to students wanting to go to technical schools, you would see the students drop their studies and go to technical or vocational training schools. That is certainly not the purpose of the act. Perhaps when students are paid a salary—as some of us hope—the fact of granting those amounts will not be an artificial lure. But for the time being, this proposal is restricted to workers who have a family, who are adults and who must keep up a certain standard of living.

Mention has also been made, I believe the member for Brandon-Souris (Mr. Dinsdale) brought it up, of the problem with regard to teachers. Indeed, he is right; all these retraining and vocational training programs will lead to a shortage of teachers. There is program 7, but it is rather limited in scope. That is another problem we will have to review in a new perspective.

As I will doubtless have the opportunity, when the bill is introduced in the house of taking up some of the objections raised this afternoon, I should now like to thank the house once more for the kind welcome it gave this worthwhile resolution. I trust the act will not differ from the resolution too much and that, all in all, we will have taken an important step toward what I believe the hon. member for Kootenay West (Mr. Herridge) called safeguarding our human capital, surely the most important capital in an industrialized society. Even from an economic point of view, that capital is the most valuable; it must be protected, improved constantly, not only so that our people might earn a decent living but also that we might compete against other developed countries on a strictly commercial basis.

I believe the house feels, so far, that we are taking a step forward. It is not the first step; the hon. member for Ontario (Mr. Starr) mentioned that he had already gone forward in that direction. That is true. This is merely another step in that direction. And so, we will gradually work our way toward our common goal: a better and more prosperous society.

• (7:50 p.m.)

[*English*]

Resolution reported and concurred in.

Mr. Marchand thereupon moved for leave to introduce Bill No. C-186, respecting allowances to persons being trained under technical and vocational training programs.

Motion agreed to and bill read the first time.

SUPPLY

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

POST OFFICE DEPARTMENT

1. Postal Services including Canada's share of the upkeep of the International Bureaux at Berne and Montevideo, $252,804,000.

Mr. Foy: I think the Postmaster General is about to get to his feet. We would certainly appreciate a statement from him, and I would defer to him.

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Chairman, the first time, I asked the house to pass my estimates, only a few weeks ago, I did not have to speak and I thought that this would happen again today; but if the house is earnestly waiting to hear me, I am ready to deliver a speech.

Mr. Chairman, it is customary when opening the debate on the estimates for the current fiscal year, to review the financial position of the department during the previous year.

However, I trust hon. members will understand that the last fiscal year having just come to an end, available figures for a complete year are for the 1964-65 fiscal year.

Before introducing the 1966-67 estimates of the Post Office Department, I should like to spend a few minutes reviewing the 1965-66 activities and stressing the unswerving policy and steadfast aims which are a trade mark of the Post Office Department. Where trends in recent years indicate growing needs for the department in 1966-67, I will quote figures and point out what they may bring about for the future each in its own field.

When my colleague, the present Minister of Labour (Mr. Nicholson), was postmaster general, he supported the recommendation of the Glassco Commission for the adoption by my department of a more suitable accounting system to identify all the accounts receivable by the department and all its financial charges, in order to get a clearer picture of the department's financial position.

I repeat, the figures for a full year now available are for the 1964-65 fiscal year. I shall use them to show the situation in the Department, with all amounts and accounts duly apportioned. During the 1964-65 fiscal year, the Post Office Department was provided with services from the other departments totalling $35.8 million. If this sum is added to the other operational expenses, which amounted to $243.8 million, the total expenditures come to $279.6 million. On the other hand, revenue totals $269 million, that is $263.7 million in revenue from all operations and $4.3 million in free services provided to the other departments and parliament.

These figures, Mr. Chairman, show that the Post Office Department, while assuming the cost of the services it receives from the other departments, was able to cover part of it up to $24.3 million and to finish the year with a net total deficit of only $11.5 million. However, if we take into account retroactive salary increases, the 1964-65 deficit would come to $17.7 million as compared to $32.4 million in 1963-64.

This improvement in the general situation of the department is due to a $28.3 million increase in the 1964-65 revenue while expenditures for the same period only increased by $2.3 million. This increase in revenue was caused on the one hand by greater postal traffic and, on the other hand, by a raise in rates.

For instance, in order to establish a more equitable relation between charges and costs in some services, an increase became necessary for householder mail matter rates and for class mail rates as well as for charges on C.O.D. parcels. Those rate changes went in force on April 1, 1964. On July 15, 1964, the air mail rate for the United States was also increased.

Another increase went into force on January 1 of this year, this time in international rates. That will result in an increase in revenue which will be apparent in the 1965-66 figures but expenditures will also increase since the new rates are precisely aimed at meeting the increased transportation and mail handling costs which are occurring in the international service.

Another rate change occurred this year when a zone system was established for international parcel post. There are now three rates, called zone rates, for countries other than the United States and their possessions, where 230 different rates previously applied. Such a simplified rate structure is a great improvement for the mail room attendants in business concerns in Canada as well as for the postal workers who handle international parcel post.

It is interesting to note here, the strong tendency in Canada to use air mail facilities for correspondence and business dealings with foreign countries. Our figures forecast an increase of nearly 15.2 per cent in all classes of international air mail for 1965, as compared with an increase of approximately 4 per cent in all classes of surface mail. Such a trend doubtless indicates that fast communications have now become a habit. It also indicates that the Post Office Department must constantly improve its methods in order to keep up with technical progress and development.

In January 1965, were started throughout the postal service, cyclical surveys of mail traffic as a first step in the implementation of a new cost ascertainment program.

Next July, we shall have data covering a whole year on this subject. The cost report will show the receipts and expenditures of every class of mail matter and service on an annual basis. A projection of figures already obtained indicates that a 4 per cent increase in mail traffic can be expected for 1965-66. In terms of items handled, this represents an increase of 200 million over 1964-65, for a total of 4.8 billion. Roughly, this represents approximately 240 mail items per year

and per person, men, women and children, in Canada.

• (8:00 p.m.)

Mr. Chairman, the annual increase in the mail volume naturally leads to increased activities in all fields at the Post Office Department. For instance, as at March 31 of this year, the number of daily home deliveries by carrier had reached 3.5 million, apart from service to 16,372 other families, through group mail boxes. The 10,251 jobs of mail carriers at the Post Office Department on March 31, 1966, represented an increase of 753 from the previous fiscal year.

Mr. Chairman, in order to take into account constant evolution, we amended one of the conditions for delivery by carriers, to the effect that any town which offers 2,000 delivery points can now claim home delivery service, while previously it had to have at least 2,500 points to serve. As the needs of each locality are determined and recruitment and training of carriers is done, we carry on with our program providing for the extension of this service.

Since January, 1966, carrier delivery was initiated at St. Bruno and Montmagny, in Quebec; at Strathroy, Bowmanville and Paris, in Ontario; at Cranbrook, in British Columbia. Thus, 14,122 more homes are served by mail carriers. In addition, due to the rapid multiplication of big buildings in the heart of cities, 44,696 other homes enjoyed carrier service. Therefore, 3,564,572 delivery points are now visited daily. In order to give this service, the number of carriers in the employ of the Post Office Department was brought up to 10,340, an increase of 253 jobs to date. And there will be several other extensions of carrier service before the end of the current fiscal year.

[*English*]

Mr. Chairman, 1965-66 was a period of growth and expansion in the Post Office Department. It also was a period fraught with difficulty. All hon. members know last year there was a work stoppage by employees which affected adversely the communications system of our whole country. This action by the employees last summer points up the need for proper collective bargaining procedures. These needed procedures will be provided by this government through legislation. It is only right that procedures be established so that civil servants, like employees in industry, can sit down with their employer to discuss and bargain on matters pertaining to their terms of employment.

The inquiry into the working conditions in the Post Office Department, which is being conducted by Judge Montpetit, is progressing and a final report is expected for tabling within the next few months. For the benefit of hon. members, I may state that I wish the report had been tabled prior to the introduction of the estimates so that they would have been able to see into the depths of the operation in the Canada Post Office. The report when tabled, I am sure, will do much to clear the channels of communication between the employee branch locals and their national executive, and between the various levels of management.

Better communication will help to dispel the mistrust and the misunderstanding which has manifested itself between the employees and management. Officers of the department and myself have been meeting with the representatives of the associations. Changes are being discussed and are being readied for implementation; they are the result of consultation and agreement. As an example, the examination procedure has been modified and is ready for adoption. The method of measuring the work of letter carriers is advancing. To help with this study, the systems used in the United States, England and Japan have been reviewed. Safety committees, comprised of representatives of the employee associations and management will be established in the larger post offices, and a safety officer will be added to the headquarters establishment. He will be responsible for the preparation, promotion and administration of the safety programs in the department.

Through the co-operation of the Department of National Health and Welfare, preliminary steps have been taken toward the establishment of a civil service health unit in the Montreal Post Office. Expansion of this project will be possible only as trained personnel are available. The work being done now by the department, in consultation with the associations, by the time the report of Judge Montpetit is tabled will eliminate many of the troubled areas, and solutions to remaining problems will be well on their way to being worked out.

Mr. Chairman, 1965-66 was an active year for the Post Office Department and, as I have said previously, this fiscal year shows postal operations and business expanding with the economic and population growth of our country. In the department, programs previously conceived are reaching maturity and new

programs and new concepts are being readied for study and implementation.

With these few remarks, I would ask hon. members earnestly to consider the amounts represented by the estimates which we consider necessary to provide our country with continued and effective postal service.

• (8:10 p.m.)

Mr. McCutcheon: Mr. Chairman, I also should like to compliment the minister and thank him for his very able progress report on the activities of the Post Office Department for last year. The activities in that department act as a pretty fair barometer of the development of the country. Certainly it was evident from his remarks that the costs of services in this country are rising.

The hon. member for Swift Current-Maple Creek wished to take part in this discussion tonight, but unfortunately has been called out of the house. He mentioned to me an item or two about which he is concerned. He is concerned particularly about the curtailment of the service given to the public in rural areas since the minimum wage law became effective last year.

Since the $1.25 minimum hourly wage rate became effective, in many areas, particularly in the country, the post offices have been working on restricted hours, rather than pay the overtime. I have discussed this matter as it applies in my own area, but I am bringing it to the attention of the minister now to point out that while it is a bone of contention in my area, it is also out through the western part of the country. It seems to me, if the government is prepared to pay a minimum wage, the general public should not be penalized because the Post Office Department will not grant an increase in salary sufficient to keep the wickets open in the post offices for the required time. There is one other matter in respect of the area I represent which I should like to draw to the attention of the minister. A few new public buildings have been built in our area. A beautiful building with air conditioning was built on a nicely treed lot, but 12 miles up the river we have the new post office building in the town of Dresden in an area where there are no trees close by: It is sitting in the glaring sun. Provision has been made for the installation of an air conditioner, associated with the heating unit, but to date the work has not been completed. I can assure the minister that in this area air conditioning is almost a must, if we are to get efficient work from the staff. I hope he will take this matter under consideration. I have already discussed this with the Minister of Public Works, who agrees with me that something should be done. In closing I should like again to compliment the minister on the good report he has given us this evening. However, there is one other matter I should like to bring to his attention. This concerns the rural mail routes and is something which only people in the rural areas are aware of. In many instances I feel the department is bound a little too much to the lowest tender concept. In our area I have seen occasions where we have had a little trouble in respect of the lowest tender, because sometimes the tenderer is not in a position to back up his tender with the service he should be providing. I believe this is an area where great care must be taken, but I also feel it is an area which should be examined a little, because service to the public sometimes is more important than acceptance of the lowest tender.

Mr. McIntosh: Mr. Chairman, I rise on a question of privilege. I want to thank the hon. member for bringing my points to the attention of the Postmaster General.

Mr. Mather: Mr. Chairman, I have two reasons for being especially interested in the subject of our post office and its operations. As a member of the New Democratic Party, I am particularly pleased with the Post Office Department because it represents a good example of public enterprise. In the second place, as a former mail carrier, I have a special feeling for the dedicated staff of the post office at all levels. Their efforts, often unrewarded, render a daily public service to this country.

A colleague of mine intends later to enlarge upon and make reference to the postal employee situation, so I will not touch upon that subject now, except to say that I very much welcomed the statement of the Postmaster General that collective bargaining is being established. This I am sure will help the situation.

I suppose the postal service is the federal activity which affects beneficially the largest number of Canadians. We see by the latest report, which the minister has given us, that something over four billion pieces of mail are processed annually. The minister has indicated that about $269 million is taken in and that about $279 million is spent in the operation of this service. Of course postal operations also include activities in addition to the handling of mail. Postal services include the

sale of unemployment insurance stamps, collection of government annuities payments, the distribution of income tax forms and civil service employment forms.

The post office has been given consideration, or subsidy in the form of accommodation—that is buildings—to a rough value of $20 million per year. On the other hand it carries free mail and subsidizes other federal agencies to the extent of about $4 million in the form of free or frank mail.

• (8:20 p.m.)

As the minister has indicated, these last items are now being brought into a more clear cost accountancy relationship. On that point I thought it was encouraging that this is being done in line with the recommendations of the Auditor General which appear in his most recent report, from which I should like to quote briefly. He said:

> In 1964 the department engaged a firm of consultants to examine its cost ascertainment procedures with a view to establishing accurate costs with respect to the various classes of mail. The procedures recommended by the consultants were put into effect only in January 1965 and no figures are available to indicate the loss in handling second class mail for the year 1964-65. The loss in 1963-64 had been estimated at $35 million which included $1.5 million attributable to a special second class rate on newspapers and magazines mailed by the public. This rate was discontinued effective April 1, 1964.

I quoted that statement to indicate that some progress is being made, as the minister suggested, in following up the common sense recommendations of the Glassco commission and the Auditor General.

Having said that, I should like to take this opportunity to say I was very pleased to note that the minister did not say what his predecessor said a year or two ago, that he advocated an increase of 25 per cent in local first class mail delivery rates—from four to five cents. In our view such an increase is unwarranted. I do not know whether it is still under consideration, but I hope it is not. In the event that it is, I should like to put forward some of the arguments which we think are strongly against this increase.

In support of the proposal by the previous minister to increase the local mailing rate to five cents he said that it would bring all our local postage to the five cent rate and would increase revenues and help solve the problem relating to the drawing of boundaries for the distribution of local mail. His contention was, and I think there was some truth behind it, that it is hard for the post office to charge some people different rates; that is, four or five cents, in the same municipality. However, instead of charging all these local residents four cents, he proposed to charge them all five cents. I think very few Canadians would agree with that proposition.

[Mr. Mather.]

In the first place, as to revenue, on ordinary first class mail—that is letters mailed in the ordinary way by ordinary Canadians—a profit is obtained. Why increase that part of the service charge? To do that, as I will try to show, means to burden unjustly one set of postal users with the cost of subsidizing another set of users.

As to the boundary drawing problem referred to by the former minister, I think that if the present minister will come with me to my constituency and talk to the people in Surrey, Delta or Langley he will find many of them who will advise him how to settle that problem very quickly. They all want a universal four cent lower mainland British Columbia rate.

I have said that first class letter mail is handled profitably and that second class mail, notably magazines and newspapers, is carried at a loss. This has been the situation for many years, and it has been argued for years that this should not be the case. I think that something like $35 million per year is lost in the carrying of second class mail.

The most recent figures I have indicate that first class mail service showed a profit of 1.827 cents per piece handled. In respect of second class mail there was, on transient class, a loss of almost ten cents per piece, and on publications there was a loss of over four cents. It is true, therefore, that non-business mail—ordinary letters—are subsidizing the losses on business periodical mail.

A former postmaster general had this comment to make on the subject. Unfortunately he made it just before he became postmaster general, rather than after. He said:

> We should not load the one class of mail with the costs of another class of mail, but we should rather bring them out into the open and pay from general revenues any special costs in the operation of a department.

He said, as I say now, that if an increase in the rate of first class mail is still being considered it ought not to be. I was encouraged by the statement made a month or two ago by the present minister in this regard. He said as recorded in *Hansard* for February 17, 1966 at page 1427:

> When preferential rates were approved for newspapers over 20 years ago, one of the reasons for

it was, I think, that newspapers were perhaps the only public medium of information at that time. That is why a preferential rate was established. But I do not think that reason stands today. However, there may be others.

At any rate, I was encouraged by that statement of the minister.

There is another aspect I should like to refer to. We must face the fact that on second class mail posted in the United States and delivered in Canada we lose as high as $2,800,000 per year, and that on United States second class mail posted in Canada for delivery in Canada we lose in excess of $1 million per year. There is another aspect of this relationship which I should like to touch upon briefly.

It is estimated that Canadian imported printing runs to a value of over $300 million per year, and that 85 per cent originates in the United States. There is no other comparison in the world which could show such a relationship as exists between the United States and Canada in regard to our importation of printed material. There is no other comparison in the world for this relationship between two countries. We in this country absorb 35 times more printed imports per capita than does the United States. To quote the Graphic Arts Industries Bulletin, a Canadian publication:

• (8:30 p.m.)

Year after year the huge daily flow of printed imports is represented by incoming second and third class mail from the United States, delivered without any remuneration by our Canadian Post Office. All postal revenue on this goes to Washington because the Universal Postal Convention compels us to carry U.S. mail without compensation. And since the flow from Canada to the U.S.A. is not even comparable, our country loses every day.

I think these are some of the points that should be taken into consideration in the operation of the post office. I am encouraged to think that some of them are being taken into consideration, and hope to see some action on them to bring about a healthier position for the postal service. In closing I wish to reiterate that our party is opposed to any increase in the postal rates in respect of the ordinary letter writer sending first class, local mail. We are opposed to these people paying more than they do today, when what they now pay is more than enough to carry their letters. The real hole, in our opinion, through which the flood of deficit comes into the operations of the post office is the arrangement which permits the entry, at our cost, of millions of dollars worth of U.S. printed products. I am told, for example, that our post office loss on *Time* and *Reader's Digest* has in the past been as high as $1,400,000 a year. It might very well be asked, why should Canadians, many of whom never read these publications, be burdened with extra postage to help promote their distribution in Canada? Why should the public sector of the postal business, the ordinary letter writer, pay more and be called on—we hope this will not happen—to pay still more to subsidize that private sector?

We cannot see that this is either fair or wise, and we oppose it. We propose, instead of increasing the charges to the ordinary mail users across Canada, that regulations permitting the duty-free entry of any package not over $1 in value, which stimulates direct mail from the United States, be abolished and we would urge that this country seek earnestly and strenuously an adjustment with the United States to overcome the existing inequities in the postal convention under which our post office and its Canadian customers labour.

[*Translation*]

Mr. Godin: Mr. Chairman, my first words on this item are to congratulate all the employees of that department whose work is almost above reproach and gives quick results which leave far behind those of all other departments of the Canadian government.

Before the advent of radio, television and telephone, the work of the Post Office employees represented a service indispensable to the moral and cultural life of the Canadian villages very remote from each other.

Thus, at that time the situation was the same as it is today, that is to say it is practically always impossible to determine the material value of the services given by those workers.

The minister has just given us a very glowing picture. If we look only at that side of it, it is all to the department's credit. But there is another side which shows a record performance. If there had been a contest between the departments of the Canadian government as to what department could work most efficiently for the longest time with the most poorly paid staff, I am sure that the Post Office Department would have won the trophy.

I will take only a few minutes to point out the lot of postal contractors in rural ridings.

When we see workers, in all parts of Canada, joining together within labour unions

to get better wages and working conditions, we cannot but conclude that the method of individual tenders for contracts is out of date. When a contract is up for renewal, it sometimes happens that some prankster tenders against the regular contractor who has been doing his work faithfully for years. Under the circumstances, the latter is forced to keep on working at miserly wages because in order to keep his job, he must submit the lowest tender.

That old custom is, in my opinion, the reason why some contractors get only $5.50 for four hours of work a day. The same work brought them $2.50 in 1939.

In my riding I know an honest contractor who has been working for the Post Office Department since 1936. He serves 53 families every day and, as his only reward, he gets $625 a year, or 4 cents a day per family.

If the beggars who roam the countryside filed an income tax return, I am sure that they would admit to more than 4 cents per family called on. Not only are our beggars better paid, but they work only when it suits them. They are not forced to walk in the rain or on cold days, nor at the same time in the same ranges, every day of the week. They can change scenery by moving to another parish, another county and even another province.

Nowadays, $625 a year is ridiculous. One dollar per hour for someone who has to use his own car to do his work, is pure nonsense.

There is no need to be an accountant to notice the difference between the minister's salary and this employee's, since, as I said previously, the remuneration of the mail carrier concerned is $625 only. It is only fair that I specify for the information of all Canadians, and especially my constituents, the Postmaster General's salary. As can be seen on page 365 of the estimates for the fiscal year 1966-67, it is as follows:

Yearly salary:	$15,000
Motor car allowance:	$ 2,000

And we add to that: $6,000 as emoluments of a member of parliament and $12,000 as salary, for a total of $35,000. This amount of $35,000 represents the employment of 55 contractors at $625 a year; 55 persons, two hours daily, represent 110 hours; 110 hours per day represent 660 hours a week.

I leave it up to the minister to make the computation for one month and for one year, so that he may realize the real gap in that department.

[Mr. Godin.]

I am asking the minister personally to inquire among the mail contractors and to carry out the salary adjustments required. I am sure that when the question of equitable treatment for this category of workers disseminated across Canada is raised, the minister will be in a position to rely on the approval of the whole house. As for the carrier service given by the department in certain cities in Canada, I feel I must advise that the cities of Portneuf constituency have already sent to the department their requests on this matter, so that the citizens may be more adequately served.

The minister advised them that such service was not possible for the time being, since there were not 2,000 families within the boundaries of such cities.

If the figure of 2,000 families was set for cities like Montreal or Ottawa, it is clear that such a minimum makes sense, because such cities are built vertically and it becomes easy to find 2,000 families within a rather small area. But when it is realized how our cities in the rural constituencies are spread out, since in most cases, the lots are much larger than the houses and that the houses themselves are mostly one-story, seldom two-story, the result is that an area of four square miles often represents only 1,500 families.

Then, families living one and a half miles from the post office have to cover that distance to get to the mail and this is often impossible for a mother who is busy at home with her young children. The same is true in the case of older persons. For the one whose work compels him to travel in another direction, trips to the post office also become costly.

This is why, I believe that the department should review its position and reduce from 2,000 to 1,000 the minimum number of families required for the establishment of a mail delivery service. By solving this problem, the minister would kill two birds with one stone: In addition to doing justice by improving those services, he would contribute to create employment for those who are out of work in those towns and who are still in quest of the definition of prosperity given and repeated by His Excellency the Governor General at the opening of parliament.

• (8:40 p.m.)

[*English*]

Mr. Roxburgh: Mr. Chairman, I should like to say a few words about this department. Before I do so, I want to compliment the minister upon his report and upon the fine

way in which he has carried on as head of the postal department. I have been pleased to note that some members have discussed the same subject with which I should like to deal, the plight of the rural mail carrier. I believe this is one of the weaknesses of the federal postal department. I want to compliment the hon. member for Lambton-Kent and the hon. member for Portneuf upon the information they have provided, with which I heartily agree.

We know, of course, that the rural mail carrier acquires his position by contract. Once he receives his contract he does not have an opportunity of getting an increase for a two-year period. This business of contracts was all right for the horse and buggy days. It was all right until the provincial and federal governments started putting up taxes so often that the poor mail carrier believed the taxes were being increased every month. This fact influences the rural mail carrier greatly, when he is attempting to make a proper contract that will permit him to support his wife and family, and do his work. This work is extremely necessary to the federal government. I should like to give one illustration concerning a mail carrier who has been doing this work for the federal government for close to 40 years. He asked for an increase to the extent of the large sum of $50—not $50 a month but $50 a year. In fairness to the federal government, I must say they gave him that $50 increase. However, before the little man could put one red cent of that increase into his pocket, the provincial government decided to raise their taxes. Overnight his $50 was wiped out and he was back where he started.

I think, Mr. Chairman, the position of rural mail carriers should be worth so much money to the government. I do not believe these people should be hired by contract. The hon. member for Lambton-Kent mentioned that the contracts did not always go to the lowest bidder. However, even if a contract goes to the lowest bidder, that does not mean he is always the best man for the job. I believe that the time when rural mail carriers should be hired by contract is long past. I suggest to the Post Office Department they should take another look at the matter. These men should he paid a straight salary, the same as the urban mail carriers receive. They are just as important as or more important than the urban mail carriers, who have good sidewalks. The urban carrier may have some rain or snow, but there are few days when he cannot get to his job. On the other hand, the rural mail carrier not only has the weather to contend with, but he has to contend with roads.

I imagine that the Postmaster General, in days gone by, has ridden with the rural mail carrier. I have done so, and I would not take his job if they gave me twice the money, especially during the spring when the roads are in the worst condition. However, the mail has to be delivered. I have just received a letter from one of these carriers, as no doubt other hon. members have. This chap says that as a result of the large increase in the cost of living over the last two years, he has had to request an increase. He has to furnish a car or a truck, gas, and work six days a week. As he says, these carriers are not entitled to have an increase for a two year period. I just wanted to bring this to the attention of the Postmaster General because I feel he is a man who will look after the interests of the ordinary people. I sincerely feel that his department should take another look at the situation and at least pay a living wage to these mail carriers, because that is not being done at the moment.

Mr. Bigg: Mr. Chairman, I first want to offer my congratulations to our new Postmaster General. It is said that we always get a good job from a new broom and I am sure, after listening to his able opening remarks tonight, that we can expect action in the Post Office Department. I for one think we need some action in that department. I feel that for too long the post office has looked upon itself as a crown corporation which is supposed to end up, shall we say, in the blue. Our post office was designed to give service to the public. Their main function should not be to balance their books.

By and large, the people who work for the Post Office Department are amongst the finest civil servants we have in Canada. A great many of them have worked long years for miserable wages. They have not had bargaining rights. I am not one who pushes for bargaining rights for these people. I feel that our appreciation of the wonderful service the Post Office Department always renders should make us keep their working conditions so far ahead of their demands that they will be scratching their heads trying to decide the new working conditions they should request. In fact, if we did our job as legislators in a democratic state, particularly where money

matters are concerned, the need for over-emphasizing unionism would be quite unnecessary.

• (8:50 p.m.)

We know that the postal employees of Canada found it necessary to strike, and people are always arguing whether or not a strike can be legal. In my opinion a strike is never legal. I believe a strike which is justified should have never been made necessary in the first place; a strike which is not justified is unlawful and a travesty of democratic rights. I say again that it is up to us—and the lead, of course, must come from the Postmaster General himself—to see that his great department is given a square deal.

With regard to the design of post offices, we can be penny wise and pound foolish when we resort to minimal designs. Canada is a young and flourishing country, and if we are to build post offices at all, then, like mounted police barracks, they should be a showcase. They should be of the finest both as to architecture and as to utility. Every citizen in Canada uses the services of a post office. Some of the small, square brick buildings which fly our flag out front make me shudder. It is very poor economy to build one of these miserable little boxes, because ten years from now they will be entirely out of date. They have never been beautiful and in many cases they are not even useful.

I also do not think that the staff and the people using these buildings are consulted enough as to design. We are inclined to go to architects, and architects are not always right. Sometimes they have futuristic ideas, and I am sure sacrifice usefulness of a building to their own particular conception of what is new, fine and beautiful. I have spoken to the staffs of several post offices in my own district. They are miserable little places.

I beg the Postmaster General to take a personal interest in the designing of post offices and to consult the staffs who have to use them, wherever possible doing away with the idea of minimal standards. I would rather see five post offices beautifully built than ten which will never be useful and are certainly not beautiful.

The same thing can be said for the design of stamps, Mr. Chairman. The original cost of designing a postage stamp is very small indeed, when you consider the fact that a minimum of 18 million copies of most stamps is run off. I would prefer that the artists be Canadians, of course, in every case. I do not think there is a more universal advertisement for Canada than beautiful postage stamps. In 1930 we put out a 50-cent stamp which used as its motif the *Bluenose*. This stamp has been rated at more than one international competition as the most beautiful stamp in the world, and I do not see why a return to that standard could not be made.

In this direction Switzerland is away ahead of us, and a great many nations with much less wealth and prestige in the world shame us in the general design of their stamps. Again, I think our young and active Postmaster General could take an interest in this matter. I might point out that right here in Ottawa are two very fine organizations he could consult. I sometimes think it best to go outside the department if the designs of stamps are not up to the old standard; and I can assure the Postmaster General that they are not.

I would suggest to the minister that experts in all phases of philately are to be found in the Recreational Association of the Civil Service. Then there is the Ottawa Philatelic Society, one of the oldest philatelic societies in the world, with experts on Canadian stamps as members. These people would be glad to give the Postmaster General the benefit of their intimate knowledge of this subject.

While on the subject of postage stamps I should like to suggest that in the very near future we might give our native people a shot in the arm by putting out a set of stamps in their honour, such as a different stamp for each tribe of our native people, including the Eskimos. Perhaps we could issue them in the order in which the treaties were signed, or something of that nature, in order to cover Canada from coast to coast. I am sure the design would be very appealing, especially now that our native people are taking their proper place as honoured and fully-participating citizens both in their country and ours.

Talking time is somewhat restricted on this matter, Mr. Chairman, and I do not want to take up any more time of the committee. However, I should just like to make this point. There are 265 federal members of parliament. I would suggest that the Postmaster General would break new ground if he were to use them on every occasion when matters arise concerning the post office department. This department has perhaps suffered over the years, I think, from partisanship; but for the general good of the public

and the provision of better postal service I think a lot could be done if the Postmaster General were to consult us on local matters.

For example, about seven years ago I knew a post office would be needed in my home town, so I got in touch with the Post Office Department and suggested that, as they would be building within the next few years, it might be a good idea to buy some land, which they did. The land for which they paid $4,000 has not yet been built on, but you could not buy the same land today for less than twice that amount. I suggest that this type of co-operation with hon. members of this house is available to the Postmaster General in 265 constituencies in Canada. Therefore I should just like to ask the Postmaster General to break new ground and to take advantage of people who are willing to co-operate with him to the greatest extent.

Mr. Cowan: Mr. Chairman, I am anxious to comment on the post office estimates as they have been presented to the house for the year 1966-67. I have spoken each time that the post office estimates have been brought forward in the past four years, but more particularly I wish to speak tonight about the estimates of the Post Office Department because of the strike which was forced on the Canadian public last summer.

In making these remarks I wish to state that I was entirely on the side of the striking employees and could find no fault in the action they took. There are upwards of 20 members of parliament in the Toronto area. When the strike started in Toronto I went down and spoke to the strikers, telling them I would bring some matters to the attention of the House of Commons at the first opportunity. Two other Liberal members from Toronto also expressed support for the strikers in the city. However, I will not mention their names, because I cannot see them in the house tonight and I have not asked their permission.

• (9:00 p.m.)

I wish to state flatly that those men and women who found it necessary to go out on what some called a wildcat strike last July had every justification for their actions. I mentioned that many of them were forced to live under circumstances which were a discredit to the Canadian government. I say this because they were government employees. I have listened intently to the presentation by the Postmaster General of the figures for the past two years. He made reference to the estimates which are to be found in the blue book. In the year ending March 31, 1966, the Post Office Department showed a deficit of $11 millions. I congratulated the then Postmaster General when I spoke on July 17, 1964, and I congratulate the present Postmaster General, the hon. member for Longueuil, as I speak tonight, on the fact that they are now taking cognizance of the valuable services rendered to the Post Office Department by other departments of government.

For many years the Post Office Department was subsidized by other government departments, such as the Department of Public Works, which owned many of the post offices in which postal services are enjoyed by the general public, but for which the Post Office Department pays no rent. The Glassco report drew attention to the self-evident injustice of such a situation, and since then the Postmaster General has made an obeisance in recognition of the fact that services were indeed being rendered by other departments. Having taken cognizance of those services they point out that the total over-all deficit for the last year of operation was $11 millions.

Mr. Chairman, there are two ways of arriving at this deficit. One is by including among the expenditures of the department sums which do not need to be included in the post office estimates. Second, it is possible to arrive at a deficit if you do not charge enough for the services which are rendered. Then, if there is a deficit, you can tell the employees: We cannot afford to pay you what you require in order to live in a decent way, and we have the figures to prove it.

If hon. members will turn to the blue book for the fiscal year ending March 31, 1967, they will find on page 365 a paragraph setting out the various approximate values of major services not included in the estimates of the department. They include contributions to the superannuation account by the Department of Finance, $9,438,700; contributions to the Canada Pension Plan account from the same department, $2,856,500; employees' surgical-medical insurance premiums, by the Department of Finance, $1,137,000. Take these three items alone and they will come to a total of approximately $13 millions. Include them in the post office figures and you can come up with a deficit of $11 million and tell the employees: We cannot raise your pay because we have an $11 million deficit.

I declared in July, 1964, and I repeat tonight, that we need not have a funded superannuation account or funded pension plan in order to pay pensions to the employees of the Post Office Department. When an organization such as the government of Canada has power to tax, it can pay superannuation out of current account and it can pay pensions out of current account. This is a bookkeeping entry, and set out in the blue book it can create an apparent deficit where none exists. The figures can then be used as an excuse for telling employees that their pay cannot be raised, thus forcing them to strike.

Another way of strengthening the statement that the department cannot afford to pay its employees proper wages is by failing to charge enough for the services which are being rendered. I regret to say, after reading my remarks made on July 17, 1964, when I was commenting on those post office estimates—that is, a little more than 22 months ago—I know of no single suggestion of mine which was advanced at that time which the Post Office Department has accepted. This is some kind of tribute, I suppose. The department not only paid no attention to any particular suggestion, it ignored the entire group. I hope that a little more attention will be paid to the suggestions I made in July, 1964, now that the cabinet has had a strike on their hands and the Canadian public has been greatly inconvenienced as a result.

This wildcat strike, in certain areas, particularly in Montreal, Toronto and Vancouver, would not have been necessary had there been sufficient revenue coming into the post office to cover the cost of increases in the remuneration of its employees.

I drew attention to some of the unfair practices which prevailed in the setting of postage rates two years ago. But when I spoke in July, 1964, I did not make any mention of the fact that no zone rate is imposed in this country, except in the case of parcel post. If a magazine is printed in New York city and sent to a subscriber in San Francisco it may cross eight postal zones in the United States, and the advertising content of the publication pays an increased postage rate depending on the distance which the magazine or newspaper travels. This is nothing but a fair imposition, and this practice should be adopted in Canada.

A zone rate of postage has been advocated in respect of periodicals in Canada for more than 40 years, to my personal knowledge. Why should a publisher of a magazine in Toronto, be able to mail his publication to Victoria at a rate which is exactly the same as he would pay were he mailing it to Oakville, six miles away? Why should a publisher in Montreal be able to send his periodical to a city in Alberta at the same price he would pay to send it to Lachute?

The government controls the Canadian National Railways. If a customer ships anything by freight on the C.N.R. he pays according to the mileage traversed. If he sends anything by express he pays according to the mileage. If he sends a telegram through the C.N.R. system he pays in accordance with the distance the telegram goes. When a passenger travels on a plane belonging to Air Canada, which is a crown corporation, he pays according to the distance he flies. If he is shipping anything by air freight or air express, again he pays in accordance with the distance his goods are to be moved. People using the telephone system pay according to the distance over which they call. If hon. members are going through certain of our provinces where a government telephone service is in operation they will find that the provincial governments have rates which vary according to the distance called.

It is an established fact that the further you travel the more you pay—the further you ship, the more you pay—except in the postal service of Canada. If you want to mail something from Toronto to Vancouver the cost is the same as if you mailed the same thing from Toronto to Newmarket.

Why cannot we introduce a zone postal system and increase the revenues from second class mail to the point at which we shall not need to tell post office employees that they cannot be given the money to which they are entitled because there is no money in the till?

I am not opposed to collective bargaining in the slightest. I have favoured collective bargaining all my life because I think that owners have an advantage over employees because they are better established financially. But simply to state that it is intended to allow employees to take part in collective bargaining is begging the question, because if the employer can point to an $11 million deficit he can tell the collective bargaining agents: "I cannot pay you any more money because I have not got it. True enough, you have a collective bargaining agency and I am happy to deal with you as a collective bargaining agency, but I have not got any money to pay you."

• (9:10 p.m.)

The government is in a position to get that money. I heartily endorse the comments of the member for New Westminster. I have a high regard for him not only as a man and a gentleman but as a working, practical newspaperman whom I have known in the publishing business for many years. I endorse the comments he made tonight with regard to periodicals which come into this country, which we take all around this nation and do not get a cent of remuneration for. Then we wind up saying to our postal workers that we have not any money to give them.

In 1964 I spent considerable time referring to these periodicals published in the United States, France, Great Britain and Denmark, which are sent to subscribers in Canada. The nation where the publication is mailed retains 100 per cent of the postal revenue received, but when that periodical crosses the Canadian border the Canadian taxpayer hauls it any distance necessary for nothing. The rough idea is that for every subscription to a Danish newspaper or magazine that comes into Canada there is a Canadian periodical going to Denmark.

Figure it out for yourself, Mr. Chairman. With 20 million people in Canada and the population of Denmark somewhere around the 4 million mark, what likelihood is there going to be of a counterweight between Canadian periodicals going to Denmark and Danish publications coming here? But we have this international convention which we are always told cannot be altered for three or four years, because the convention only meets every five years.

I personally know that for 30 years publishers in Canada have demanded of Canadian governments—the Mackenzie King administration, the Bennett administration, the St. Laurent administration, the Diefenbaker administration and the present administration: In the name of heaven let the Canadian taxpayer have some relief. Let the Canadian taxpayers be compensated by these publishers in foreign lands who send periodicals into this nation and, once they reach our border, we have to carry them without cost to the points where the subscribers reside.

How we can expect the post office employees to put up any longer than 1966-67 with that kind of thing is beyond my comprehension. The post office employees are looking into the revenues of this department. They are not satisfied, as they used to be in the past, to be told, "There is a deficit, and therefore no money for you." The post office is rendering a valuable service and should be gathering a revenue from the users of that service that will compensate for the service performed.

I have here in my hand the official Canada Postal Guide giving postal rates, and I wish to deal with a subject on which I spent some time in 1964, 22 months ago, but about which nothing has been done since. I ask why do we carry—

> —weeklies, fortnightlies and monthlies published in any place having a population of not more than 10,000, to the extent of a free circulation of 2,500 copies to regular subscribers and news dealers within 40 miles of the place of publication free?

This refers particularly to what are known as small country weeklies, and if we are going to carry them free how can we be expected to increase the remuneration of the employees of the department? Because we cannot increase the remuneration of the employees we have a strike, and people start to scream that the post office workers strike should not be allowed, because their work is vital and necessary. It is vital and necessary, but they should be compensated properly for the vital work they are performing.

I said in 1964, and I repeat again tonight, that if a small merchant in a small town, where there is a small weekly, wants to send something by mail to someone on a rural route he has to pay to send it, be it toothpaste, tobacco, or whatever it is that the customer has telephoned for, but if the local newspaper publisher is favoured with a subscription from a farmer on the same route he does not have to pay because 2,500 copies of his paper are carried free within 40 miles radius of the place of publication.

Surely the small weeklies are strong enough financially to pay for the services rendered to them by the Post Office Department? I wonder how well hon. members know the ownership of these small weeklies. Many hon. members think of them as something turned out by the local printer, who is having a struggle to make ends meet. Have they ever stopped to realize the number of small town weeklies owned by multimillionnaires and by multimillion-dollar publishing houses?

There have been three little weekly papers sold in central Ontario since Christmas time. The owners of those three papers today are multimillionaires, but the Post Office Department is carrying 2,500 copies of their papers free of charge on the outdated basis that the local publisher cannot afford to pay

the ordinary rate. In point of fact some of these owners I am speaking about can more afford to pay the proper rate than the Post Office Department can afford to carry their newspapers for free. I cannot imagine a single publisher of a small weekly in Canada today, in 1966, writing an editorial endeavouring to justify free service on 2,500 copies of his publication, particularly when we are faced with postal employees walking out on a wildcat strike for higher wages.

The hon. member for Norfolk and the hon. member for Portneuf referred to the compensation that is paid to couriers on the rural routes. That has been a crying shame for years. It is unfortunate that these routes are put out on a tender basis. The people who tender to become rural route couriers today have to figure out every possible means of submitting the lowest price if they want to get and hold a contract. They take their family car and write its capital cost off against family pleasure in order to quote the lowest rate possible.

In many cases they are part-time employees in other fields of endeavour, and they tender to become rural couriers at the lowest rate in order to add up three or four sources of income to make a living wage. Surely the Post Office Department knows what it costs to operate courier cars per mile over the kinds of roads that prevail in the areas served, and over the kind of ground they have to traverse, be it gumbo, macadam, straight gravel or whatever it is.

Surely the Post Office Department knows what would be fair compensation for these courier routes, and should engage men or women to carry the mails on them at a living wage, and not on a competitive tender basis.

I often think, and I am sure many hon. members who saw the cartoon, must also think of the aviators in the air force flying at something like 600 miles an hour in one of the modern planes, with the pilot saying to the navigator, "It gives you a great sense of safety and satisfaction to know that every part in this plane was purchased at the lowest possible tender price."

If we would only pay according to the service that is given to us—I am speaking now of the rural route couriers who give faithful, dependable service—instead of asking them to cut prices and corners, we would not have the couriers continually protesting about the unsatisfactory remuneration they receive. I am certain that no small weekly newspaper editor is going to try to justify free service for his publication, knowing that the rural route couriers operating out of his local post office are not getting a satisfactory wage because of the expenses incurred in delivering his newspaper free on rural routes. Dealing with the rates charged by the post office, I remember the former hon. member for Port Arthur, Douglas Fisher, making several speeches in the house regarding the unfair rates in the department, but no attention was paid to his comments, any more than is paid to mine. But of course these rates give the grounds on which it is possible to tell the post office employees. "We have not got the money. Therefore we cannot pay you the increased wage you think you are entitled to"—and which the Canadian public would support, if the employees were able to make a nation-wide presentation of the facts to the Canadian public. Why in the name of heaven should a Canadian periodical that is printed once a week have to pay three cents a pound to be carried across this nation, whereas a monthly publication can get the same service with a charge of 1¾ cents a pound?

[Mr. Cowan.]

• (9:20 p.m.)

Is any man in this House of Commons able to justify today the fact that the Toronto *Star Weekly* or papers of that nature published in Canada have to pay three cents a pound while publications such as *Reader's Digest* which is a great Canadian periodical, owned by people in Pleasantville, New York, pass through the mail at 1¾ cents a pound? That magazine is bloodsucking the Canadian publishing industry in an advertising way, in addition to contributing to the post office deficit to the point that we tell the postal employees we cannot pay them any more money.

The rates which are being charged on commercial paper have been exposed more than once. I know of no justification for a special rate being paid by the biggest industries in this country, known as a special commercial paper rate. Two years ago when I spoke on this matter I received a letter from the Postmaster General pointing out that the special rate granted on commercial paper, such as monthly invoices, was quite proper because there was a government act to cover it. I have heard in the past of government acts, and there are some of them on the statute books now, which cannot be justified by the facts of life.

Simply a reference to a government act does not make an unfair rate a fair rate, particularly when you have the protests of the employees to the effect that they are being asked to work for wages that are unjustifiable in their view, and which would be unjustifiable in the view of the public if the Canadian public knew the situation. I would not be speaking at all tonight were I not provoked by the fact that the postal employees are not being paid according to the services they are rendering but according to the revenue of the Post Office Department, and that revenue is not properly calculated.

Mr. Côté (Longueuil): Mr. Chairman, may I clarify one thing. There is no relationship between the profit or deficit of the department and increases in salaries of postal employees. Salaries are based on duties performed. Right now these salaries are being looked at by Treasury Board and the pay research bureau in an effort to establish classifications for these people. With collective bargaining there will be a much better opportunity for the postal employees to bargain through strength against strength, and this will balance the bargaining in respect of increases. I repeat again that there is no relationship at all between the profits or deficits of the department and increases in pay of the employees.

Mr. Cowan: Mr. Chairman, that is the best defence one can make for carrying periodicals free of charge in the postal service, I suppose; but I still argue that if the Post Office Department was being compensated for the service it renders to the people who make use of that service, namely the big publishers and small publishers of the country, the revenue would be there with which to compensate the employees, according to the services they render. I do not believe the compensation for a postal employee should be based on what a lighthouse keeper on the Atlantic coast receives, or on what a railwayman does on the line between Edmonton and Prince George. I think they should be compensated for the work they do according to the service they are rendering, and this service should be paid for by the people who are making use of it. It is largely the publishers who create the big deficits in the Post Office Department today.

I have advocated before that these papers which come in from across the border should pay according to the service rendered. This can be calculated in the same way we calculate the payments in respect of the parcel post rate across the country. I do wish that the rate charged for daily newpapers, weekly newspapers, monthly and semi-monthly publications were based on the service rendered to the publishers, and not on some hypothetical figure somebody has dreamed up as being what the publishers would be willing to pay. Why should the millionaires who publish the agricultural papers in Canada which go out on the rural routes be granted a cheap rate, while the couriers there are complaining about their wages. These papers are published by the McConnells of Montreal and Siftons of Winnipeg. The publishers should pay according to the service rendered. When they do, then the department will be able to pay the postal employees a just and proper wage. I only hope that in the study he is making Judge Montpetit will look into the revenue side of the Post Office Department, as well as the operations of the department. In my opinion the operations of the department are well nigh perfect. There is no more loyal body of employees in the Canadian civil service than there is in the Post Office Department. I know whereof I speak because I dealt with them personally for a period of more than 30 years. The Post Office Department can be proud of the service rendered by its employees—the many thousands —under very trying circumstances and without proper compensation.

Mr. Madill: Mr. Chairman, I should like to make a few personal observations concerning mail carriers in the rural areas. My remarks will be brief and I hope constructive.

I should like to recommend that the department make an annual review of all rural mail contracts if during the fiscal year the cost of living and the cost of operating an automobile in the transport of mail have increased. We all are aware of the increase in the cost of automobile insurance, the cost of gasoline, the cost of maintenance of a car, and the initial purchase price of an automobile. Regardless of the amount of dedicated service a mail courier may have given, his mail contract automatically is put up for public tender every four years. If a lower tender is submitted, invariably the contract is given to the lowest bidder. This does not provide any incentive to those who wish to give good service. This means that a rural mail carrier is a little timid when he submits his contract for renewal. He is almost afraid

to ask for a raise, in case he loses the contract. The only other method he has is that if his contract has been renewed for two years he can apply for an increase. This is the only assurance he has that he might get an increase over the four-year period.

In essence it is necessary to acquire a raise in this way in order to avoid losing a contract. Quite often I see older cars being used and I wonder whether they would pass an inspection in respect of highway safety. They use these cars simply because for financial reasons they cannot afford to drive better cars. I do not think this is any asset to the Post Office Department. The department should issue a plate which has on it "rural mail carrier" and make it mandatory that all mail carriers have it on their car when they are transporting mail. This would identify the carrier to the rural public using the highways and byways, and would be a safety factor, because the pepole would realize that this car would be stopping at mail boxes.

• (9:30 p.m.)

There are no fringe benefits attached to rural mail carrier positions. They have no pensions and little security under present conditions. They must subsidize their income from other sources because their income from the carrying of mail is not sufficient to support themselves and their families.

Another recommendation I think has merit is that they be provided with some kind of uniform which they could wear during their postal services. They would be in this way easily identified and would have some prestige in the eyes of the public.

I trust the minister and his department will give full consideration to my recommendations, and I hope that some of them will be accepted and put into being.

Mr. Orlikow: Mr. Chairman, I never thought I would be here, after listening to the remarks of the hon. member for York-Humber, in a position to agree with what he said. However unbelievable it may be, that has happened tonight and I find myself in agreement with him. He said that he supported the work stoppage or strike carried out by the postal workers of Canada last year. I also was in agreement with that strike and I am amazed that there has only been one in recent years, because the conditions under which they work and live are deplorable.

The minister said in an interjection while the hon. member for York-Humber was speaking that once collective bargaining was established postal workers like other government employees will have the right to negotiate in respect of work conditions and pay. That may be true, but it is also true that there is now a commission headed by Mr. Justice Montpetit making an inquiry into the grievances of postal employees. We must all accept our share of the responsibility for these poor conditions, and I do not think that the government or the parliament of Canada can be proud of the fact it required a work stoppage to force the appointment of a commission to look into postal workers' conditions.

The conditions under which postal workers have been forced to work for many years, their wages, hours of work and holidays are almost unbelievable. These employees, as well as others in government service, have not had the right of collective bargaining, which means that they had not been able to sit down with the government to talk over their grievances, or bring their desires to the attention of public officials. I find it hard to understand how past postmasters general, and the present Postmaster General, with whom I have had some very satisfactory dealings, have not been aware of the kind of conditions that exist. Indeed it is hard to believe that these people were only able to force the government to appoint a commission of inquiry by striking.

I have a memorandum in my hand presented to Mr. Justice Montpetit by the Ottawa local of the Canadian Union of Postal Workers, a copy of which I am sure has reached the hands of the Postmaster General. I should like to read the first two paragraphs of this memorandum which appear below the heading "health and welfare", and the subheading "building conditions". They read as follows:

> We firmly believe that if proper hygienic conditions prevailed in the Ottawa post office, there would be a marked decrease in sick leave, and that personnel would have a greater incentive to perform their duties. A higher morale would exist. This in itself would be to the advantage of the department, thus causing production to increase and contribute to a better service to the general public.
>
> It is a disgusting fact that standards in the Ottawa office are in a deplorable state. Lunch rooms are inadequate and some are cluttered with lockers, storage cabinets, etc. Garbage receptacles are not properly maintained or cleaned. Proximity of washrooms to the lunchrooms in some instances is certainly not conducive to pleasant or hygenic meals.

I could continue to read from this memorandum, but surely those two paragraphs are

sufficient to indicate the situation that exists right here in Ottawa. The minister could easily look into these conditions by taking a five minute walk from this building, and I find it hard to believe that these conditions could exist here in the capital city.

No private industry in the province of Ontario could expect its workers to tolerate these conditions and I am sure that the health authorities here in Ottawa and the Department of Labour in the province of Ontario would close down such an operation within 24 hours of the discovery of such conditions.

It seems to me that the Postmaster General does not have to wait for the report of Mr. Justice Montpetit to do something about this situation. He could and should act now. The situation which exists even now is deplorable and would not be tolerated by any other department. We have been and are living in a condition of relatively full employment. Employees in both government and private industry know that they can change their jobs, and in some cases take advantage of this situation by not giving a fair day's work. I have talked with members of parliament who are not satisfied that their secretaries do a reasonable day's work. I do not know of any other place where an employer who is dissatisfied with his employee can fine his employee $5 per day because of a mistake he has made or because of dissatisfaction with his work.

Mr. Côté (Longueuil): The situation will change under the new act.

Mr. Orlikow: That may well be true, but the point is that these conditions have existed for many years. It is not good enough to say that after Mr. Justice Montpetit makes his report the situation will change.

Mr. Côté (Longueuil): New legislation will make a difference.

Mr. Orlikow: The point is that new legislation is not needed to correct the situation. This kind of system was instituted unilaterally by a previous government. You do not need new legislation; the Postmaster General could issue a directive tomorrow that this kind of thing stop tomorrow, and it would stop.

• (9:40 p.m.)

An hon. Member: Do it now.

Mr. Orlikow: "Do it now" is a very good slogan, and I suggest to the Postmaster General that he adopt that slogan and do it now—not later, because there never was any justification for this kind of disciplinary action, and it certainly cannot be justified in 1966.

One of the reasons for the strike was the salary paid to postal workers. I am not concerned whether the strike was legal or illegal, because if there ever was a justifiable stoppage, it was the stoppage of the postal workers. Let us all admit the fact that year after year they had come to whichever government was in power, cap in hand, pleading for the most minimal changes, which pleas were ignored repeatedly by government. It was not until the stoppage that they got action.

I submit that the salary paid to postal workers has been, and is still, totally inadequate. In this day and age, for a married man to have to live on the wages which are still being paid to postal workers is a disgrace. I submit that the postal workers are entitled now to a very substantial increase in pay. The minister will say, and rightly so, that as soon as the collective bargaining legislation is passed, this matter will be negotiated. I say that we have to face the record, look at the facts and admit what we have done.

One of the complaints of the postal workers is that, while the government of Canada has passed a labour standards act which says that for all employees who come under federal jurisdiction there shall be a five-day, 40 hour week, and that those who work more than 40 hours in a five-day week shall be paid time and a half for overtime, postal workers are today working five and a half or six days a week, with no extra pay. I understand that letter carriers are required to deliver the letters on their route and receive no overtime pay regardless of the length of time it takes to deliver this mail. I understand that letter carriers work without any official starting time, without a coffee break, without a lunch period; and regardless of how long it takes to deliver their mail, they receive no overtime pay. Again, this question may be negotiated. But I say that a good employer does not need to have this kind of thing negotiated; a good employer would see that all workers were paid for the work they did.

There is one other matter with which I wish to deal, Mr. Chairman, before I sit down. This refers to the question of the appeal board. I speak about this matter specifically because of one particular case which I discussed with the present minister. It was the

case of a postal employee in my own constituency. I shall not go into the details of what he did. Suffice it to say that the postal officials in Winnipeg dismissed him. He appealed the case, as he had a right to do, and an appeal board was set up. A three-man board went to Winnipeg, and the secretary of the Postal Workers Union went to Winnipeg to represent this man. The appeal board heard the case and brought down a report to the effect that, while what the employee had done was not proper, dismissal was too severe a penalty. The Civil Service Commission, or the post office—I am still not sure which one is responsible, because each blames the other—after a good deal of study ignored completely the recommendation of the appeal board, as under the present rules they have the right to do, and the man was dismissed.

I do not know how any organization, whether it be government or private employer, can have a good, healthy relationship with its employees if, having established procedures for appeal, it ignores the unanimous recommendation of an appeal board. Again, Mr. Chairman, I am sure this kind of matter will be straightened out following the passage of the collective bargaining legislation and negotiation between the postal workers and the government. But unless the government indicates that they are prepared to be a good deal more understanding of the problems of individual workers, and postal workers in particular, I think we will have a continuation of the difficulties we had last year.

I wish to deal with one more matter and then intend to sit down. I hope that this Postmaster General will have a fresh look at the whole question of surveillance of postal employees. I have some idea, although I have not the detailed knowledge of the Postmaster General and his deputy, of the problems which arise as a result of the possibility that there may be theft, as may be the case in any large group of employees who handle money and valuables. At the same time I think it is very disheartening, and this is putting it mildly—I am searching for a word and cannot find it—and a terrible thing for the morale of postal workers, or indeed any workers, to know that no matter what they are doing and where they are, whether they are at work, in the lunchroom or in the washroom, somebody—Big Brother—will be looking down on them.

Not many of us would like to live under those conditions. It may be that some surveillance is necessary. If it is necessary, this kind of thing should be worked out with the employees organizations. I think the employees organizations are just as interested as the government and the Postmaster General to see that the workers do the job they are supposed to do. As far as I can find out, the method being used was instituted completely unilaterally by government, with no consultation. I have looked into this matter fairly extensively, and not one of the postal workers union executive officers has agreed that they were ever consulted. They say they were told the government was instituting the system of surveillance which is now in operation but none of them agreed that they ever approved of this method.

[Mr. Orlikow.]

• (9:50 p.m.)

It seems to me that if this system is necessary—and I am doubtful that it is—it should be revised after the most careful and frank discussion with the representatives of the employees. I hope we will never have a repetition of the stoppages which occurred in the postal service last year, but we will unless there is a tremendous change in the thinking and approach of not just the Postmaster General—because postmasters general come and go, and in recent years they have been coming and going very quickly—but there has to be a complete revision in the thinking of the top officials of the Post Office Department. Unless there is, Mr. Chairman, I do not believe that we can have the kind of service from postal employees to which the people of this country are entitled.

Mr. Benson: Mr. Chairman, I believe I should say a few words in answer to the hon. member for Winnipeg North because I was very much involved in the postal strike or the discontinuance of work last summer. First of all, I should like to say that I believe in the three years this government has been in power, considering the three bills which are now before us, it has done more with respect to collective bargaining in the civil service than any government in Canada's history. I believe these three bills provide collective bargaining, with the choice to the civil service organization of the right to strike or the right to compulsory arbitration binding on both the government and the civil service The new public service employment act and amendments to the Financial Administration Act have created an entirely new environment in which the civil service of Canada can work.

I regret, as everyone regrets, the stoppage of work by postal employees last summer. This grew out of a system that developed in Canada whereby the conditions of employment and ultimately the wages of civil servants in Canada were determined arbitrarily. It was a wrong system whereby you had arbitration by the Civil Service Commission before you had consultation between the employers and employees. I suggest that the new acts which are presently before this parliament will entirely correct this situation. If the hon. member for Winnipeg North will look at this new legislation carefully he will find there is provision whereby the conditions of employment of people throughout the whole civil service of Canada will be governed, not department by department, but in another way through the collective bargaining process. I think this is a great step forward. It is one of the most progressive steps that has ever been taken in employee-employer relations in Canada.

My hon. friend has spoken about the difficulties that the employees in the Post Office Department have had. I sympathize with their difficulties, and I sympathized with them during the last work stoppage last year. I think this government acted completely responsibly, based on the system within which the government had to operate as a result of legislation passed by this parliament. In three brief years we have taken the steps necessary to correct this situation. I think the Postmaster General has reacted toward the postal employees very sympathetically. However, the real protection for the postal employees and for all civil servants, lies in the legislation which is presently before this house, the collective bargaining legislation, the public service employment act and the Financial Administration Act.

I think the difficulties which were raised by the hon. member for Winnipeg North will be taken care of by this legislation. It seems to me that when he gets up and starts crying at this point, when the government has introduced legislation to correct these difficulties, it is like somebody standing up now and saying that some government did something which was improper back in 1918 or 1916. I believe this government has taken every responsible step toward correcting the inequities and improprieties in dealing with the civil service in Canada. We have introduced these measures on a completely impartial basis. The bills can be considered and amended impartially by all the members of the house. When they pass this House of Commons we will have the best civil service legislation, and the employees of the government of Canada will have become public servants and will be in a position second to none in the world.

Mr. Knowles: Will the minister permit a question? Do I understand from what he has said that he thinks the government that is in power should not criticize the mistakes of previous governments?

Mr. Benson: No, all I was saying was that the hon. member for Winnipeg North is not a member of the government in power. I do not mind people criticizing what has happened in the past in the public service in Canada. All I am saying is that since this government was elected in 1963, by the appointment of the Heeney Commission and the introduction of these three pieces of legislation we now have before parliament, it has taken a step which will provide legislation and rights for civil servants in Canada which are second to none anywhere in the world.

Mr. Barnett: May I ask the minister one question? In asking it, may I make it clear I am not quarrelling with the presentation the minister made about the bills that are shortly to come before us. Assuming those bills are going to be approved by this house, and the process of collective bargaining becomes effective, would he not agree that from an employer's point of view the processes of collective bargaining might be a lot easier if some of the grosser inequities of the past to which the hon. member for Winnipeg North referred were removed before the bargaining process began?

Mr. Churchill: May I ask a question before you answer that one?

Mr. Benson: Well, Mr. Chairman—

Mr. Churchill: I want to stop the course of this inquiry. Are we not on post office estimates?

Mr. Benson: With your permission, Mr. Chairman, I should like to answer this particular question.

Mr. Starr: If this fight is going to be carried on between the government and the N.D.P. when we are trying to co-operate, then we will have to reconsider our position. We

have time being taken up by argument between the government and the N.D.P. and we cannot keep on co-operating if this situation exists. I would hope that this would stop so that we can go on with the business before us. Otherwise, we will have to have an allocation of time so that we get our proper share of time based on the number of members we have in this house.

Under the circumstances, I call it ten o'clock.

Mr. Barnett: I rise on a question of privilege, Mr. Chairman.

Mr. Starr: Ten o'clock, Mr. Chairman.

Mr. Barnett: As a member in this house, I object to—

Mr. Starr: You can object all you like.

Mr. Barnett: —somebody questioning my right as a member to speak on matters that are under discussion, namely the estimates of the Post Office Department.

The Deputy Chairman: Order.

Mr. Barnett: I should like the minister to answer because I consider that to be a bona fide question.

Mr. Howard: You will never get to be leader that way.

Mr. McIlraith: Notwithstanding the irritations of the last few moments, I wonder if we could not agree not to see the clock for a few minutes in order to finish the estimates of this department, because there is a good program of work for tomorrow.

Mr. Churchill: We are not considering the estimates of the department, we are talking about three bills that are not before the house.

Mr. McIlraith: I qualified my appeal to the house by saying, notwithstanding the irritations to progress in the last few minutes, will hon. members consider trying to clear up this department tonight, because there is a great deal of work for tomorrow. Perhaps we could get directly to the Post Office Department and it would take a very few minutes.

Mr. Starr: If we are prepared to pass the estimates of this department in the next 20 minutes, we will carry on.

The Deputy Chairman: Is there agreement?

Some hon. Members: Agreed.

[Mr. Starr.]

• (10:00 p.m.)

Mr. Southam: Mr. Chairman, my remarks will be brief.

Mr. Barnett: Mr. Chairman, on a point of order, if we are to carry on I should like the minister to be given the opportunity of answering the question he was about to answer when he was interrupted by the hon. member for Ontario.

The Deputy Chairman: Order. I recognize the hon. member for Moose Mountain.

Mr. Southam: Mr. Chairman, I welcome this opportunity to make a few remarks on the estimates of the Postmaster General now under review. Before continuing—

[*Translation*]

Mr. Gauthier: No, it is ten o'clock.

[*English*]

Mr. Starr: Mr. Chairman, would you allow the hon. member for Moose Mountain, whom you recognized as having the floor, to continue?

[*Translation*]

Mr. Gauthier: Mr. Speaker, on a point of order. I wish to point out that it is ten o'clock.

Mr. Côté (Longueuil): I am asking whether the hon. member would still co-operate for a few minutes, in case we could finish this evening.

Mr. Gauthier: The Minister of National Revenue (Mr. Benson) has been speaking long enough.

Mr. Côté (Longueuil): I would ask the hon. member to co-operate.

Mr. Gauthier: He has spoken for ten minutes.

Mr. Côté (Longueuil): If he does not wish to co-operate with him, I would ask the hon. member to be kind enough to co-operate with me.

[*English*]

Mr. Southam: Mr. Chairman, before continuing with my remarks I should like to associate myself with other hon. members who have expressed their appreciation of the comprehensive review given by the Postmaster General of the work of his department. I should also like to express the hope

that he has a reasonably long tenure of office in this department. I am thinking, of course, of the recent succession of ministers who have held the office, which I feel has not contributed very much to the efficiency of the Post Office Department or helped the morale of the very capable civil servants who work under the minister. It has also given concern to the public of Canada at large.

Previous to the present government's taking office, when the government which was headed by the Leader of the Opposition was in office, we took under consideration changing the trend which had developed in the provision of postal premises, particularly those in western Canada. Up to that time large sums of money were allocated to the large urban centres of Canada much to the detriment of the smaller areas in the west which, even if they only had small populations, were contributing to the tax structure of the country and felt they had been neglected.

We reversed the trend which had existed over the last number of years and, under the leadership of Hon. Howard Green, former minister of public works, working in conjunction with the then postmaster general, Mr. Hamilton, and the hon. member for Ontario as minister of labour, we established an extensive program of post office construction under the winter works program, especially in these rural areas. These ranged in cost from a nominal $18,000 to $25,000, which was not too heavy a drain on the federal coffers but provided a long awaited and much needed improvement to our postal facilities, particularly in the west.

As far as I can determine at the present time, this worth-while program has been retarded or reduced in our part of the country by the present government. The indications are that only seven post offices will be constructed in Saskatchewan this year, if I have the figures aright. This is a far cry from the program originally in existence for a number of years, and it is not good enough. We have between 1,100 and 1,200 cities, towns and villages in the province of Saskatchewan, so looking at it on a proportionate basis seven post offices in this fiscal year is not sufficient.

In the period 1958 to 1963 post offices were constructed at points in my particular area such as Frobisher, Redvers, Fillmore, Carlyle and Maryfield, which are typical rural points. They have greatly appreciated the benefit of these new postal premises, which have certainly enhanced the postal services to the public in these areas. Estevan, the only city in my area of Saskatchewan, is very appreciative of the postal delivery service which was recently established under the present administration. I, as member of parliament, and officials from that area had received many representations for several years before a survey was made.

New postal premises should now be constructed at such places as Torquay and Creelman, to name only two in my riding. Many requests have been made by representative citizen bodies in these towns for the construction of crown buildings to provide better postal services there. May I suggest that the Postmaster General reconsider the applications from these areas and make provision in this fiscal year for the construction of the required post offices, even though he may need to include corresponding amounts in supplementary estimates.

Mr. Herridge: First, I should like to congratulate the minister on his appointment. He is a young man with a bright future, and we are all looking forward to the benefits we can expect from his administration during the months ahead. I also wish to pay tribute to the staff in Ottawa and the post office staffs throughout the country, particularly to the mail carriers who deliver the rural mail and do this monotonous work day after day, often unrecognized by the people they serve. I am glad to note that this socialized branch of government is performing good service throughout the country. It is a model for the extension of this principle into other departments.

I wonder whether the minister or any of his officials has given any thought to the question of the postal department becoming a crown corporation. There are some countries where the post office is run as a crown corporation. If consideration has been given to this matter I would be interested to know what the result of these studies has been with respect to the efficiency of a crown corporation, compared with a department of government.

I wish to say a few words about post office employees. It is obvious that last year the employees had to take drastic action to bring their complaints to the attention of the government and of the public generally. I listened with great interest to the remarks made by the Minister of National Revenue

and I was very pleased to hear of his hopes with respect to the legislation to be introduced. We all know that the situation of the postal employees needs to be considerably improved. We hope that by the passing of the legislation providing for collective bargaining, their salaries will be increased and their working conditions made easier.

In this connection I wish to put in a word for the postmasters of small offices. Only two or three months ago my attention was called to the salaries paid to the postmaster in an isolated district in my riding. I forget the exact amount but I thought at the time it was an extremely small salary to be paid for the work which had to be done—not exactly the volume, but the hours during which the work required attention. I trust that when the position of the employees generally is being considered similar consideration will be given to postmasters, especially those in smaller post offices where there is no opportunity to earn the revenue which is earned in some of the larger offices.

A word with respect to the design of buildings. The hon. member for Athabasca referred to this subject. I have always been interested in building design. In recent years the Post Office Department has had a program for building post offices in smaller communities, and I suggest further consideration be given to the design of these post offices. They should be designed to meet the environment in which they are being built. If built on the prairies, I can well understand the California bungalow type with a flat roof; but in mountainous country a different type of design is more suitable if it is to be in harmony with the surrounding buildings. When travelling across Canada all post offices one enters in small communities should not be identical one with the other.

• (10:10 p.m.)

Also, further consideration should be given to the installation of air conditioning in climates where it is required, particularly on account of the lint which I understand comes from the handling of mail bags.

I am a bit of a stickler so far as protocol and courtesy are concerned, and there is a great lack of both in our modern society. I believe many of our ills would be overcome if our people were trained to have good manners, but we are living in a world where good manners are almost obsolete. People push by you without saying pardon, and they even occupy your desk in this house and you have to stand beside them for ten minutes in order to take your seat.

I am referring to the matter of flying the flag. It is becoming quite prevalent in many of the small buildings of the Department of Public Works that the flag is raised, stays up over night, and remains flying until it is tattered, at which time they send for a new one. I suggest that the minister would be well advised to issue instructions that the flag be raised at sunrise and lowered at sundown, which is the custom in our country.

Mr. Côté (Longueuil): They are not my buildings.

Mr. Herridge: The minister rather laughs at my suggestion, but I suggest there should be a certain amount of self-discipline within a department with respect to our flag. I was not one who voted for it, but it is our flag. I respect it, and I suggest that such a direction be sent out to the janitors of all post offices in Canada.

Mr. Côté (Longueuil): They are public works employees.

Mr. Herridge: Then I suggest that the Minister of Public Works be tipped off.

Consideration should also be given to the scale of remuneration paid to rural mail route operators. I know in some cases where contracts, because they are difficult to perform, are fairly reasonably remunerated. But in other cases where there is considerable bidding, contractors have undertaken jobs which they cannot afford to perform. There are one or two in my riding and they deserve consideration.

The public should be informed of what a rural route contractor has undertaken to do and where he is supposed to deliver the mail. On occasions, in heavy snowstorms a contractor passes by mail boxes because he cannot get his vehicle close to them. The public along a mail route should understand what a contractor has undertaken to do. Post office patrons should be informed of the type of mailbox they should build to suit the convenience of the department and contractor.

I have known a case where a man put his mail box up in a tree, and in such an instance it is quite unfair to ask the contractor to drive some distance off to the side of the road to put mail in the box. The swing-type box is more convenient. Mail boxes should be standardized. One sees all sorts of boxes along the routes.

An hon. Member: In Kootenay West?

Mr. Herridge: I have seen some strange things happen with the Post Office Department in Kootenay West. In one small office, which is not in operation now, the postmaster used to put in his own day at the office. Then he used to hang the bag for registered mail and the bag for ordinary mail on the post office door. The bus would come along about four hours later and pick them up. Over a period of many years this went on, but nobody stole the mail because they were all so honest in the part of the country I represent. However, that is not carried on at the present time because now we have more of a floating population.

I should like to say a word about stamps. I think the stamps issued by the Post Office Department have improved throughout the years, although we still are somewhat behind Indonesia, Switzerland, and countries of that sort. I think we should continue still to do our best to keep up with some of the underdeveloped countries in Asia.

In respect of the services provided by the department in larger and smaller centres, I suggest that it might be a good idea to have some of the senior officials within the district —say for instance in British Columbia the district superintendent or senior inspector —make a point of addressing organizations such as service clubs, labour bodies or other groups concerning the work and services being undertaken by the Post Office Department. I think by doing this we would add to the understanding by the public of the work done and the services provided by the department. I have been told that in other departments the senior officials are rather reluctant to do this, because they are almost afraid of stepping into the field of policy. I think the minister who now is searching for new ideas might draw up a set of guide lines on subjects which might be covered by senior officials when they address organizations such as Rotary clubs and the like.

I am not quite clear as to what is the function of the international bureau. I see there is an item in the estimates in respect of this. Would the minister explain what Canada's relationship is to this bureau and what it undertakes. I was going to say something about air transportation, but I see time is passing and my friends to my rear are waiting impatiently hoping I will get through as soon as possible, because they wish to take part in the ten o'clock show, which probably will not get started until 10.30. I should like the minister to explain why more second class mail cannot be carried at present by air. I am not speaking of periodicals. Why cannot more second class mail be carried by air than is being carried at the present time?

In conclusion I should like to suggest that the minister take advantage of the wealth of wisdom and ideas which are found in the ordinary member of parliament in this house when he visits a particular area, because quite often the member is closer to the problem than is the inspector who may be sent in from some outside point. However, we stand very firmly against any form of patronage and we know the minister agrees with us in this regard.

The Deputy Chairman: The hon. member for Comox-Alberni.

Mr. Starr: I call it ten o'clock, Mr. Chairman.

• (10:20 p.m.)

Mr. Howard: What a nasty man, Mike. You get worse every day.

Mr. Starr: Mr. Chairman, I rise on a question of privilege in view of the remarks just made by an hon. member of this house, whose party has taken up most of the time we have been considering these estimates. In view of his remarks and the fact that some of our members want to speak we should now call it ten o'clock.

Mr. Côté (Longueuil): Mr. Chairman, perhaps the hon. member who wishes to speak could meet with me some time tomorrow and I could then give answers to some of his specific questions in relation to my department.

Mr. Barnett: I did not quite follow what the Postmaster General said.

Mr. Côté (Longueuil): I suggested that perhaps the hon. member who wanted to speak could meet with me some time tomorrow and make his requests in respect of my department so that these estimates could be passed tonight.

Mr. Barnett: Mr. Chairman, I have been in this house long enough to know better than accept that sort of beguiling request from a minister, particularly when I am referring to matters of policy.

Mr. Starr: Let us call it ten o'clock.

Proceedings on Adjournment Motion

Mr. Côté (Longueuil): I have accepted many suggestions made by other hon. members on other occasions.

Progress reported.

BUSINESS OF THE HOUSE

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, tomorrow we propose to continue the consideration of estimates, commencing with those of the Post Office Department, to be followed by those of the Departments of Industry, Defence Production, and Citizenship and Immigration, then the estimates of the Privy Council and Legislation. Tuesday we will begin by considering the second reading of the bill in respect of the organization of government departments, to be followed by resolutions and bills, of which there are four, relating to employment in the public service.

Perhaps I should add, if I may have the indulgence of the house, that there will be a problem arising regarding our consideration of estimates in that there is for the first time by the standing orders a limitation on the total time allocated. It seems that if there is to be a fair apportionment of the time allotted among the members of all parties, there will have to be some procedure worked out.

My purpose in mentioning this, Mr. Speaker, is to give hon. members an opportunity to think about how we can achieve this proper apportionment so that some members will not have more time at the expense of others. The time limitation is related to the total time allowed and not to specific items.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*English*]

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

Mr. Frank Howard (Skeena): Mr. Speaker, I rise to speak on this matter of the extension of grain elevator facilities in Prince Rupert, as I have done on many occasions in the past. On one of the earlier occasions the Minister of Agriculture (Mr. Greene) made some reference to what he called the distribution of a poison pen letter in western Canada, someone was kind enough to send me a copy of that letter and I should like to quote from it briefly. In part it states:

> From the year 1962 until the present time, Hon. Alvin Hamilton, in his role as spokesman for western agriculture, has been keenly aware of the need for improved elevator space and has pressed for this needed construction with initiative and persistence.

That letter was circulated by the Conservative party and I should like to inform this house that it is not a true statement. When the hon. member for Qu'Appelle was the minister of agriculture he wrote a letter to the Prince Rupert chamber of commerce in which he flatly refused to extend grain elevator facilities in the city of Prince Rupert. That letter was written in 1963. So I wish that the Conservatives, when they distributed this information, had taken the trouble to learn the facts.

The National Farm Union presented a brief to the government not long ago and in that brief expressed their regret that the government was not going to proceed with the extension of the grain elevator at Prince Rupert. I submit that their concern over the matter of grain movement is one which others of us should also be concerned about. The Prince Rupert grain elevator, by the designation of officials in the Department of Agriculture and the Board of Grain Commissioners, has been rated as the second most efficient grain elevator in the country.

In a report dated April 12, 1962, in which it was urged that the elevator be extended, the general manager of the Canadian Government Elevators stated that a far more efficient operation could be carried out at Prince Rupert than is possible with the present 1¼ million bushels capacity, if the grain elevator were extended. At that time we had an average cargo shipment out of Rupert of some 500,000 or 550,000 bushels on each ship. We have had shipments even larger than that to move. Unfortunately, with the limited working capacity of the elevator being 850,000 bushels, it is just not possible to have two cargoes of grain available at the same time; as a consequence there is delay in the shipment of grain through the port of Prince Rupert. This has required, of course, the Canadian Wheat Board to place strict control upon the movement of grain into Rupert because they do not want cars sitting up on the track, unloaded, waiting for the grain to be screened and stored ready for shipment.

There is another serious problem in Rupert because of the limited facilities, and this

involves the cleaning of grain. The report of the general manager of Canadian Government Elevators deals with this matter by pointing out that it caused some delay in the loading of ships at the port and as a consequence they had to employ casual labour and overtime workers to a far greater extent than would otherwise have been necessary. In his report he intimated that in the year 1961-62 a saving of approximately $75,000 in overtime and casual payrolls could have been realized had the additional space been available.

The Conservative government when in office refused to deal with this matter, even though extended facilities were recommended by Canadian Government Elevators. The Liberal government has now taken the course of refusing to proceed with the elevator because of what it classifies as inordinately high bids on the cost of the elevator, while at the same time they are prepared to pour millions of dollars into increased construction projects such as the centre of the performing arts and Expo '67.

I submit, Mr. Speaker, that before this situation deteriorates to an even worse state than it has, the government should take some definitive action and proceed with the construction of this elevator at the earliest possible moment.

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for again bringing this matter forward. I also thank him for the tribute he paid to the facility at Prince Rupert. I have had the opportunity of visiting Prince Rupert and seeing this very excellent handling facility in operation. It is well known, of course, that it is a very efficient operation and has handled nine times its capacity within the season. I think that is probably a record for this type of elevator. I would remind the hon. member that the government has not suggested cancellation of this extension. As was indicated by the Minister of Finance (Mr. Sharp) the extension of facilities in Prince Rupert was simply deferred and should be proceeded with at a later date.

• (10:30 p.m.)

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

The Acting Speaker (Mr. Rinfret): I regret to inform the hon. member that the period of time allotted to him to put his question has elapsed. There is another period of time during which the minister or his representative can reply. I do not believe that questions can be asked of the parliamentary secretary at this time?

Mr. Howard: Because of time?

The Acting Speaker (Mr. Rinfret): These are the rules which govern our procedure at ten o'clock.

Mr. Howard: I will ask him tomorrow.

[*Translation*]

CANADIAN NATIONAL RAILWAYS—REQUEST FOR TEXTBOOKS IN FRENCH LANGUAGE

Mr. C. A. Gauthier (Roberval): Mr. Speaker, further to the question I put to the Minister of Transport (Mr. Pickersgill) concerning bilingualism at the C.N.R., which the Chair ruled out of order, I now want to ask the minister, or his representative, if he is aware that at the C.N.R. bilingualism is trampled under foot.

The best proof I can give of this, is the letter, dated May 11, 1966, from the president of the C.N.R. signed by R. T. Vaughan.

I had written to him about Mr. Blackburn who complained about having failed his signalling examination because he was a French-Canadian unilingual. Mr. Vaughan wrote the following letter in reply, barely two days ago.

He answered me:

> Some time ago, you have exchanged correspondence with Mr. Gordon about Mr. Jean Marc Blackburn. The latter was complaining that he had been fired by the C.N.R. because he was not sufficiently conversant with the English language.

I swear to you, Mr. Speaker, that if the same requirements were applied to all English speaking people who are unilingual in the civil service, only about 18 per cent of the personnel would remain throughout Canada.

Is that total bilingualism such as was preached all through the election campaign by the Liberal party? One set of laws for French speaking Canadians, another for English speaking Canadians; one law for the rich, another for the poor. Such, too, is the reason for all our differences since 1867, to save the remains of confederation the meaning of which a certain English speaking group has to this day failed to grasp fully.

French Canadians are required to study with English text books in order to survive and if a voice is raised in protest, the other group seems shocked and asks: What do those French Canadians want?

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We are constantly treated with contempt and when we refuse to knuckle under any longer, obstacles are raised to the advancement of our people.

For instance, on the Saguenay-Lake St. John train that plies between Dolbeau and Chicoutimi, we have been asking the government for four years now, to have French speaking personnel on a train serving a population about 98 per cent French speaking. I take that train every Friday and on numerous occasions, I have noted that the employees spoke only English and I even had to act as interpreter on the train because the employees were unilingual.

Well, believe it or not, that is taking place on trains which serve a population which is 98 per cent French Canadian.

I would like to see the reaction of those good westerners if anyone ever tried to put on their trains a French Canadian who did not speak a single word of English. And some people talk about the province of Quebec being revolutionary minded.

Who knows but that the makers of that revolution are some English speaking people who have never understood and still do not want to understand anything about the discrimination which we are facing today.

Mr. Vaughan says very candidly in his letter that the examiner, Mr. Bissonnette, is perfectly bilingual, whereas all the books used for the courses are in English only.

They put handcuffs on us and say: Be happy, at least your jailer speaks your language.

If that is what the government calls cooperative federalism, you may be sure that we will fight it to the death.

Mr. Vaughan also says in his letter that Mr. Tardif wrote in French to Mr. Blackburn to inform him that his services were no longer required for signalling.

Well, Mr. Speaker, when it comes to telling a French Canadian: step aside and make room for someone else, then another French Canadian is used to do the work.

At least, Mr. Vaughan is sincere when he writes me:

With regard to the signalling courses, I must tell you that they are the same throughout the network and that the manuals are in English only.

And Mr. Vaughan concludes:

Therefore, we would have to translate not only the courses, but also the changes resulting from technological progress.

[Mr. Gauthier.]

What is the government waiting for to do something? Another centennial? For a hundred years, we have been told: "it is necessary", "it would be better"; promises are made from one election to the next, but nothing is ever done. And what reason is given for that? Listen to Mr. Vaughan himself:

Because of the high cost of such an undertaking and also because of the lack of competent translators, we are unable to do it for the time being.

Can you imagine, Mr. Speaker, a vice president of the Canadian National Railways who dares to write those lines about the high cost of the translation work, when the president of the C.N.R. is paid $75,000 a year, over and above a special train that is provided to him for his travelling. When I think, Mr. Speaker, that they come and speak about the cost of translation. Well, in all that, the vice-president brings forward the argument of the high cost of translation as concerns respect for confederation. And what is more—

The Acting Speaker (Mr. Rinfret): Order. I regret, but I have to interrupt the hon. member, because the time alloted to him has now expired.

[*English*]

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, we have been assured in the discussions with the officials of the Canadian National Railways that the gentleman referred to in this letter was not dismissed because he was unable to speak English, but rather that he simply did not qualify for the position. He was offered an alternative position which he has accepted.

The signalling courses given by the C.N.R. are conducted along the same lines as similar engineering courses offered by l'École Polytechnique in Montreal. The course is given in both English and French, using however, an English language manual. As is the case at many educational institutions in Quebec, while the text of the manual is in English, instruction is given in French.

This is not to say that the technical manuals are not available in French from the C.N.R. or that the company is not progressing in its bilingualism policy. Only today the company issued a press release, and if the hon. member will permit me I should like to quote from the release.

Canadian National is intensifying its efforts in developing a comprehensive and practical business and technical railway terminology in the French language adapted to North American conditions . . .

The company's translation bureau will be expanded with the addition of a terminology section and which hereafter will be known as "Linguistic Services". Its function will be to gather material and to make it easily available to the employees and to the customers of the railway.

• (10:40 p.m.)

"The lack of an adequate and easily accessible French language railway terminology adapted to North American realities is becoming a serious handicap especially when long range goals are considered", said Mr. Gordon.

"We have encountered this problem in our extensive customer and community relations and the need is felt daily in such vital activities as employee training, and employee communications. Consequently the objective of linguistic services will be to facilitate and encourage the use of French as well as English as a working language for both oral and written communications within the Canadian National system."

Linguistic services will report to the vice president and secretary of the company, Mr. R. T. Vaughan and will be headed by Frederic Phaneuf until now special assistant to the vice president St. Lawrence region.

Mr. Phaneuf is well known in public relations and translation circles and is currently president of the Society of Translators and Interpreters of Canada.

The decision to create a Canadian National linguistic service arises from a recommendation of Canadian National permanent committee on bilingualism which is under the chairmanship of Mr. Maurice Archer, vice president research and development. Canadian National linguistic sections will work in close conjunction with similar organizations in the federal government, in the Quebec provincial government and in other provinces, where established, as well as in private industry.

UNITED NATIONS—PROPOSED JURISDICTION OVER HIGH SEAS AND OUTER SPACE

Mr. T. S. Barnett (Comox-Alberni): Before orders of the day were called today I addressed a question to the Secretary of State for External Affairs asking him whether the government had under consideration a proposal which had been advanced that the United Nations be given ownership and jurisdiction over the high seas and outer space. Mr. Speaker ruled that this question was more suitable for the order paper, but since I felt it involved a matter of great national and international importance it seemed to me we should know as soon as possible whether our government had this matter under consideration and learn, if possible, what its views are.

The organization which made the report to which I referred is the commission of the United Nations Association of the United States of America. In its 17th annual report, this commission, which has been set up to promote the establishment of peace, put forward in some detail a proposal to extend the jurisdiction of the United Nations in this area. The report states that in the commission's view the United Nations should declare the title of the international community to the high seas and outer space, for six reasons.

The reasons given are as follows: to avoid conflicts between nations over these areas, to keep their resources from being wasted, to prevent their military use, to head off their contamination, to make sure all nations could benefit from their resources, and to provide the United Nations with an independent source of income. The final point refers to the resources of the high seas and I suppose at some future date outer space could be used to help provide the United Nations with an independent source of income.

This report, which was signed by 70 members, including scholars, writers, editors, union leaders and business executives, all members of the United Nations Association in the United States, has, in my view, pinpointed matters of grave concern not only to Canadians but to all the peoples of the world, and matters which are relevant to the internal problems of this country.

I make particular reference to questions related to the resources of the high seas, with which I, and other hon. members have become much involved from the viewpoint of the future of the fishing resources of Canada. The house will recall there was much discussion in this connection when the bill to extend the territorial seas and fishing zones of our country was introduced.

I think that the fact that this proposal is put forward by a responsible body in the United States, expressing a viewpoint in many ways contradictory to that which is held by the United States, particularly in relation to the fisheries negotiations currently taking place in Seattle, makes it a matter worthy of immediate consideration by this house and we should have some statement from the government on its views.

Not only are our own resources involved but also what is known as the cornerstone of our foreign policy, namely support for the United Nations. Certainly this idea is related to our involvement with the costs and maintenance of the various UN peace keeping forces.

This commission has suggested that if the United Nations could derive revenues, what we in Canada would call royalties, from leasing resources of the high seas, those funds could be used by the Secretary General for the maintenance of a peace keeping force

enlisted directly with the United Nations. It is suggested that a force of some 2,000 men would be appropriate for this purpose, immediately available under the direction of the Secretary General of the United Nations for dispatch to trouble spots, until such time as contingents from member nations could be gathered and sent to aid it.

This proposal is one which should be of great interest not only to hon. members but to Canadians generally. It is also one that should be brought forward for formal study by the General Assembly of the United Nations, as is suggested by this commission.

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, we are grateful to the hon. member for Comox-Alberni (Mr. Barnett) for having raised this interesting question. Twice in the course of his remarks he has stated that this proposal was put forward by a responsible body. It is important that no one be misled.

To this date the government has examined only the press accounts, but it has been clearly ascertained from these newspaper stories that the commission making this recommendation is an entirely private body, part of the United Nations Association of the United States of America, and not a committee of the United Nations organization.

• (10:50 p.m.)

It is hoped that eventually we shall be able to give careful consideration to its suggestions when we see a first-hand account of its annual report which we have yet to receive. We have noted, however, that as mentioned by the hon. member one of these suggestions is United Nations ownership of both the high seas and outer space. While it is true that the General Assembly has passed resolutions treating outer space in much the same manner as the high seas, for instance in declaring that it was not subject to national appropriation, a proposal that ownership of outer space and the high seas should be vested in the United Nations obviously would have far reaching legal implications and consequently would require very thorough study.

[*Translation*]

Motion agreed to and house adjourned at 10.53 p.m.

HOUSE OF COMMONS

Friday, May 20, 1966

The house met at 11 a.m.

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Eighth report of standing committee on broadcasting, films and assistance to the arts—Mr. Basford.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Mr. H. E. Gray (Essex West) moved:

That the sixth report of the standing committee on finance, trade and economic affairs, presented to the house on Tuesday, May 17, 1966, be concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): On division, Mr. Speaker, and this for the reasons already given.

[*English*]

Motion agreed to on division.

• (11:10 a.m.)

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. H. E. Gray (Essex West) moved that the seventh report of the standing committee on finance, trade and economic affairs, presented to the house on Tuesday, May 17, be concurred in.

[*Translation*]

Mr. Grégoire: Mr. Speaker, once again, we object to the reduction of the quorum from 13 members to nine. It is our opinion that all members should do their duty and take part as much as possible in the work of the committees, and we want our objection to be noted.

[*English*]

Motion agreed to on division.

FISHERIES

B.C. SALMON—REPORT ON NEGOTIATIONS WITH U.S.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, as the salmon discussions in Seattle concluded yesterday, I wish to make a brief statement in order to inform the house as to the results of the deliberations.

While some progress has been made in the discussions in Seattle in recent days through clarification of points at issue, I regret to say that we have not, in our opinion, moved substantially toward an acceptable solution of our problem. Canada has always believed the seaward net fishing limits should be used as a tool to minimize the catching by one country of salmon bound for the rivers of the other. It is to that end that we have presented at meetings held in Washington last fall, in Ottawa in February and in the last three days at Seattle proposals for the inward adjustment of the limits both in Alaska and in British Columbia.

We were prepared to accept further curtailment of Canadian fisheries in the interests of better management and of equity. We believe that the over-all effect of the Canadian proposal made at these meetings would be advantageous to both countries through better management resulting from Canada and the United States each harvesting their own stocks separately.

The new line we proposed for the Alaska area was comparable to the line established along the B.C. coast in 1957. As the United States representatives have refused to accept our proposal, we have no alternative but to state that we reserve the right to extend Canadian fisheries seaward where appropriate to correct the inequitable situation which exists under present conditions. It is with regret that we feel compelled to take such a position, as we would have preferred the course we have presented, that is the inward adjustment of seaward fishing limits to minimize the interception by one country of salmon bound for the other. We still believe that in the long run such an adjustment would have been beneficial to both countries.

I must add, however, that we have agreed at this meeting to initiate a research program designed to give more information on the

movements and intermingling of the stock harvested in Alaskan and Canadian rivers. Such research, we hope, will assist in arriving in the future at solutions to the problems now arising from interception by one country of salmon bound to the other. While we recognize that the problems we have been discussing were complex and difficult, we still believe that discussions must be resumed in the near future on broader aspects of the subjects we have been raising at these particular meetings.

At the same time I wish to make clear that the Canadian government has no intention of authorizing salmon net fishing on the high seas.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I wish to thank the minister for giving us in advance a copy of the statement he has just made. We are not surprised by the attitude taken by the United States government in view of their lack of co-operation at the meetings last fall in Washington, and in view of a public statement made by a certain powerful U.S. senator.

Just last week the fisheries committee passed a resolution which we hoped would strengthen the hand of the Canadian negotiators. It is very discouraging to note the attitude taken toward the principle that the country where the salmon originate has a certain right to them. If the United States will not grant this right to us, what inducement will there be to the Canadian people to continue the rehabilitation of our own species?

I am encouraged by the minister's statement that the Canadian government reserves the right to extend Canadian fisheries seaward where considered advisable. I hope these are not mere words. For many years the United States government has threatened to retaliate, in the event of such a step, by closing our market for fish in the United States. This is a specious argument, because there is a world shortage of fish. If the United States were to cut off our imports they would be cutting off their nose to spite their face. I hope the Canadian government will show courage in this respect.

I am pleased there is to be further research with regard to the origin of the salmon. I notice that the minister did not say the Americans denied they were catching our salmon. There is ample proof that they are. Whether further research will do anything more to convince them, I cannot say. I hope

the Canadian government will take a firm and bold stand on this matter. The people of Canada and of British Columbia will demand it.

Mr. Frank Howard (Skeena): We regret that the minister should have been forced into the position of having to make a statement such as the one to which the house has just listened. The United States has a history of destroying natural resources in the process of their exploiting. They destroyed the salmon runs on the Columbia river by building dams all over the place, and now they are seeking to exploit and destroy salmon runs in Canadian territory by the use of fish traps. Wanton destruction of Alaskan salmon runs was carried out by the United States, and now they seek to do the same sort of thing here by refusing to negotiate as far as homebound Canadian salmon are concerned.

It is indicative of their attitude that a two-faced policy is followed in this respect on the part of the United States authorities. On the one hand the Alaska government has spoken most belligerently to the Japanese fishermen, ordering them to keep out of the Bristol bay area and cease fishing for what they call red salmon homebound for Alaskan waters, on the ground that prior right rests with the United States. On the other hand an entirely different view is taken in discussions with Canada when the same principle is involved. There has been concern about the surf line or net fishing limit ever since 1957, when the United States refused to carry out the principle of an understanding which had been reached at that time and extended its net salmon fishing limits three miles outward into the ocean while we kept ours close to shore.

There is unanimity of opinion in Canada in the fishing industry, in the unions, in government circles, certainly in parliament and in the fisheries committee upon this question. The feeling is unanimous that the United States surf line in Alaskan waters should be drawn in so as to ensure that American fishermen are not catching and exploiting our homebound salmon. This has been happening to such an extent that in some Alaskan waters between 60 and 70 per cent of the total catch consists of Canadian salmon coming home to spawn. Exploitation of this sort can lead to nothing less than the destruction of the resource.

We very much regret that the discussions in Seattle have broken down. I do not think we can dignify what took place by the name

"negotiations" because it is obvious that the United States government did not want to negotiate anything, as is indicated by its arrogant and domineering attitude at these meetings and its refusal to modify this position.

• (11:20 a.m.)

This leaves us with no alternative, I submit, but to carry out the earlier pronouncements of the Canadian government, which means there is no agreement about net fishing limits. Consequently we have to either eliminate those limits or move them seaward so Canadian fishermen can engage in the same sort of practice, regrettable as it might be, to give our fishermen the opportunity to catch as many of these United States or Alaskan bound salmon as they can. Perhaps this sort of regrettable action will force the United States into a reasonable position, where they will sit down to discuss and negotiate this particular question fairly.

May I say one more word. If we are going to engage in additional research, I suggest to the minister that he use the services of the Canadian navy in conducting that research.

Mr. Bert Leboe (Cariboo): In the absence of the hon. member for Fraser Valley (Mr. Patterson), who is on the committee, I should like to say that we also regret very much that the minister, who is very conscientious and hard working in this business of preserving the fishing industry, had to make this particular statement. I have reason to say this, because I have had problems in connection with fishing and lumbering in my constituency, and I must say that the co-operation I have had from the minister has been very good indeed.

Many salmon have their birth place in the Cariboo constituency, as in Skeena. We realize that a great deal of work is being done in this particular area by the Canadian fisheries department to preserve these fish. Unfortunately it seems that we are not getting a fair deal in connection with the catching of the fish we are raising in Canada. I hope the minister will be able to carry out the program he has suggested, and that we will be able to negotiate with the United States to get a working arrangement under which the maximum amount of fish can be produced in British Columbia and caught by our own fishermen.

Inquiries of the Ministry

IMMIGRATION

REQUEST FOR DELAY IN DEPORTATION OF YUGOSLAVIA SAILORS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I direct a question to the Minister of Citizenship and Immigration. It has to do with two Croatian youths, Ante Ivancev and Slavko Smoljan, both 22 years of age, who escaped from their ship and have been ordered deported from Canada to Yugoslavia. Has the minister received representations in this connection? These two young men, to use the words of the letter to the minister, are consumed with a burning desire to escape the chains of communism and enjoy the fruits of freedom. Will the minister under all the circumstances, these young men being of good reputation, continue the policy that has been followed in the past, namely that no one except a criminal or communist agent shall be forced against his will to return to communism when he desires freedom within our country?

Hon. Jean Marchand (Minister of Citizenship and Immigration): These two young men, Mr. Speaker, were supposed to be deported on the 19th. They were not deported because representations were made to me and I wanted to review the cases. These cases will be reviewed as soon as we have the decision from the immigration court of appeal on two other similar cases. For the time being the matter is pending and we are reviewing the cases.

Mr. Diefenbaker: I appreciate the fact that the cases are being reviewed. Would the minister say whether there is going to be a change in the practice of the past under which those who have sought freedom in our country from communist dictatorship shall not be forced to return, if they are men of good reputation? This policy has applied to people of all racial origins who live behind the iron curtain.

Mr. Marchand: Mr. Speaker, I do not exactly know what policies were followed in the past, but probably the right hon. gentleman is aware that last year more than 900 people jumped ship in Canada. A certain number of them were Yugoslavian sailors. Therefore I think we have to be careful to see that if these men are interested in coming to Canada the channel they use is not that of jumping ship. We have to apply the regulations.

On the other hand, Mr. Speaker, we have no evidence at this stage that men who are deported to Yugoslavia—and a few of them have been deported—are persecuted. The Department of External Affairs has mentioned to us that there is no such persecution as at this moment.

EXTERNAL AFFAIRS

MAINLAND CHINA—RECOGNITION BY CANADIAN GOVERNMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I want to ask the Prime Minister a question with reference to the visit of Mr. Arthur J. Goldberg, United States ambassador to the United Nations, who visited Ottawa this week.

May I ask the Prime Minister whether either he or the Secretary of State for External Affairs told Mr. Goldberg that the Canadian government would have been disposed to recognize the government of mainland China long ago had it not been for United States resistance and the possibility that such a move would have damaged Canada-U.S. relations?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, so far as I am concerned I gave Mr. Goldberg no such indication that that was the reason behind the policy we have adopted in this matter. Our policy has been based on a number of factors, and that kind of gloss on our talks, Mr. Speaker, is quite unwarranted.

Mr. Douglas: A supplementary question. Does that answer of the Prime Minister mean that press reports to this effect are completely without foundation?

Mr. Speaker: Order. That question is out of order.

[*Translation*]

AGRICULTURE

QUEBEC—PROTESTS AGAINST IMPORTS OF EGGS

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, in the absence of the Minister of Agriculture, I should like to put my question to his parliamentary secretary.

Could the parliamentary secretary of the Minister of Agriculture tell us whether the minister has examined the telegram sent by the president of the Catholic Farmers Union, Mr. Sorel, telling him of his concern about strange importation of eggs into Canada and whether it is his intention to take steps to protect Canadian egg producers?

Mr. Speaker: I find it rather difficult to decide whether this question is really urgent. May I suggest that the member for Chapleau place his question on the order paper?

Mr. Laprise: Mr. Speaker, I ask permission to discuss this question at ten o'clock, at the first opportunity.

[*English*]

CANADA ASSISTANCE PLAN

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I should like to ask the house leader, or in his absence the Prime Minister, whether it would be possible for the government to bring forward the resolution regarding the Canada Assistance Plan. Because this plan is being injected into provincial election campaigns, I think all members of the house and the public should be able—

Mr. Speaker: Order, please. The hon. member is now making a speech instead of asking a question, and that is entirely out of order.

Mr. Johnston: Then may I ask whether this plan will be brought forward rapidly.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, we should like to get it before the house just as quickly as possible.

LABOUR RELATIONS

QUEBEC LONGSHOREMEN'S STRIKE—REQUEST FOR REPORT ON NEGOTIATIONS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, in the absence of the Minister of Labour I should like to ask the Prime Minister whether he has received any word as to how the negotiations in the dispute in Montreal are getting on, and whether the Prime Minister has received a report on these negotiations from His Honour Judge Lippe.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am going to ask the Acting Minister of Labour to deal with that question.

Hon. A. J. MacEachen (Acting Minister of Labour): I have discussed this question this morning with the officers of the Department of Labour. Judge Lippe has been in almost continuous discussion with the parties since his appointment 48 hours ago. Because he is bending every effort to settle this question, the main expectation now is that both parties will support him in his serious efforts to obtain a settlement of this dispute.

Mr. Starr: A supplementary question, Mr. Speaker. Will these negotiations continue, without any breaks, until a settlement is reached?

Mr. MacEachen: Mr. Speaker, I would expect that Judge Lippe would want to press ahead with his efforts at mediation. Although I can give no assurance that the discussions will continue unbroken, I am sure that is the objective of the department and of Judge Lippe.

TRANSPORT

ST. LAWRENCE SEAWAY—HEARINGS ON PROPOSED TOLL INCREASES

On the orders of the day:

Mr. Reg Cantelon (Kindersley): Mr. Speaker, I have a question for the Minister of Transport which is of national importance and urgency. Will the minister assure the house that before any added tolls are charged on the St. Lawrence waterway, the matter will be brought to this house for discussion?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, perhaps you would permit me once again to point out that under the law made by this parliament the St. Lawrence Seaway Authority has a responsibility to recommend tolls to the government. Before that recommendation is made, the authority is going to hold public hearings with respect to some suggestions as to tolls which it has already made public. Until the public hearings have been held and the seaway authority has made its recommendations to the government, the matter is not before the government. As soon as it is before the government it will be given the promptest consideration.

An hon. Member: Answer the question.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): May I ask a question arising out of the previous question. The minister knows, of course, that the St. Lawrence Seaway Authority announced that it would propose a 10 per cent increase in tolls. That was announced some weeks ago, I believe around April 20.

Have representations been received from the wheat pools in western Canada against any such increase which, according to Mr. Gibbings, president of the Saskatchewan wheat pool, would mean that the western farmers would have to pay 1¼ cents per bushel more than today?

Mr. Speaker: Order, please.

Mr. Diefenbaker: Has the minister received representations from the western pools as to the effect this will have, if the increase is allowed?

Mr. Pickersgill: I believe there have been some representations made to me, sir. As I do not believe that someone belonging to a court of appeal should seek to pass judgment before the original court has had its hearings, I have suggested that people concerned should make their representations at the public hearings.

Mr. Diefenbaker: I should like to have had a clearer answer.

Mr. Eldon M. Woolliams (Bow River): I should like to ask a question of the Minister of Transport. In view of the statement this morning that before any increase was permitted there would be public hearings, and in view of the question asked by the right hon. Leader of the Opposition, would the minister inform us whether those hearings have been held with respect to the 10 per cent increase?

Mr. Pickersgill: The hon. gentleman, I think, can read as well as I can. Public hearings have been announced, and they will be held. After they are held the seaway authority, by reason of its duty under a law passed by this parliament, will make its recommendations to the government. Until that time the government, under the law made by parliament, has no function in this matter.

Mr. Diefenbaker: We should like to have you as an ally instead of against us.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. When the government has received the recommendations of the seaway authority, and before it makes its final decision as to whether to accept those recommendations, will there be an opportunity to discuss this matter in the House of Commons?

Inquiries of the Ministry

Mr. Pickersgill: Mr. Speaker, I think it is very unwise for any minister to answer hypothetical questions. We have responsible government in this country.

Some hon. Members: Oh, oh.

Mr. Pickersgill: The process of responsible government, in the technical sense of that term, will be followed in this matter.

Mr. Diefenbaker: In the technical sense.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, in view of the fact that this change in the toll structure could be authorized by order in council, would the minister answer the question put to him by the hon. member for Kindersley?

Mr. Pickersgill: The answer is no.

Mr. D. R. Tolmie (Welland): Mr. Speaker, my question is addressed to the Minister of Transport. In view of the extreme importance to the St. Lawrence seaway operations and to the city of Welland of the proposed Welland canal by-pass, can the minister state if the government has made any decision with regard to the building of the proposed by-pass?

Mr. Pickersgill: The answer, sir, is yes. A favourable decision was made yesterday. The government intends to authorize the seaway authority to proceed.

I wonder, sir, if on a question of privilege I might say that in response to the hon. member for Swift Current-Maple Creek (Mr. McIntosh) I may have misled the house. I did not mean to say anything in reply to him except that I was not prepared at this moment to answer the question asked by the hon. member for Kindersley, because it was a hypothetical question.

Mr. Diefenbaker: That is a new definition for "no".

An hon. Member: On the question of privilege—

Mr. Speaker: Order, please. I rule that there is no question of privilege.

[*Translation*]

HOUSE OF COMMONS

REQUEST FOR BILINGUAL TELEPHONE OPERATORS

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a question to the right hon. Prime Minister?

[Mr. Douglas.]

Would he personally intervene and see to it that the House of Commons telephone operators are bilingual, so that we do not have to wait five or ten minutes to obtain the services of a French speaking telephone operator?

Mr. Speaker: I am sure the representation of the hon. member will be noted by the responsible party, that is by the person who is responsible for this state of affairs.

Mr. Grégoire: Mr. Speaker, I am asking the Prime Minister himself to intervene. This change has been sought for several months now, and nothing has been done yet.

Mr. Speaker: As I have said, the representations of the hon. member have been noted and I do not feel that the question is of such urgency as to be in order at this stage.

[*English*]

FINANCE

INQUIRY AS TO CHANGE IN MONEY POLICY

On the orders of the day:

Hon. George Hees (Northumberland): I wish to direct a question to the Minister of Finance. Has the government any plans for making any changes in its tight money policy in the near future?

Mr. Speaker: Order, please. I suggest this question is argumentative.

NATIONAL DEFENCE

NATO—POSSIBLE TRANSFER OF CANADIAN FORCES

On the orders of the day:

Hon. J. A. MacLean (Queens): I wish to direct a question to the Minister of National Defence and ask him if the government has taken a decision to remove from France in this calendar year all or part of Canada's contribution to the NATO forces. If so, have arrangements been made for other bases to accommodate the Canadian squadrons that are in France?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker—

Some hon. Members: Here is your chance.

Mr. Hellyer: There is a terrible temptation to say something, Mr. Speaker. However, no decision has actually been taken yet.

[*Later:*]

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of the unilateral decision taken by the leader of France, in which he has decreed that all the forces of NATO countries be invited to move out of France, I should like to ask the minister whether it is the intention of this government to remain within the NATO alliance; and will we retain our forces in Europe?

Mr. Martin (Essex East): Mr. Speaker, I have indicated already that Canada joined with the 14 other countries in NATO to reaffirm its belief in the alliance and in the NATO organization. The extent of our participation in Europe is a matter which naturally is being considered by the government and will be the subject of some negotiation and consultation in the NATO council. But let there be no misunderstanding; Canada, along with the 14, adheres to NATO and regards the reasons for its existence as being of vital interest to this country as well as to the other members of the alliance.

Mr. Russell H. MacEwan (Pictou): Mr. Speaker, I have a supplementary question. Are the reports correct to the effect that West Germany has offered Canada locations for its NATO bases?

Mr. Martin (Essex East): The matter of the relocation of Canadian forces now occupying two bases in France, as my hon. friend the Minister of National Defence has indicated, has not yet been settled. This likewise will be a matter involving decisions of the government of Canada and negotiation with the country where Canada proposes to relocate.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a supplementary question for the Minister of National Defence. I should like to ask the minister whether the bases which presently are established in France will be maintained on the continent, and will they be maintained as separate entities or integrated with other establishments?

Mr. Hellyer: Mr. Speaker, the whole question still is subject to negotiation. I would not want any conclusions to be taken from the answers to any of the questions which have been asked today.

Inquiries of the Ministry

TRADE

EFFECT OF U.K. STRIKE ON CANADIAN EXPORTS

On the orders of the day:

Hon. Hugh John Flemming (Victoria-Carleton): Mr. Speaker, my question is for the Minister of Trade and Commerce. Is the minister in a position to advise the house of the adverse effects, if any, on Canadian export trade as a result of the present maritime strike in the United Kingdom?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, we know that it would be of considerable consequence were the strike to continue for very long. We are doing a number of detailed analyses. If the strike continues I should be glad to report to the house on this question at a later date.

EXTERNAL AFFAIRS

SUGGESTED EXCHANGE OF MILITARY OBSERVERS

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question is for the Secretary of State for External Affairs. I hope I will get the answer from the correct "Paul".

Has the United States government indicated to the Canadian government that in an effort to establish better relations between the eastern powers of the Warsaw pact and the western powers, that part of a bridge mentioned by Secretary MacNamara when he was recently in Canada, should be the exchange of military observers between Warsaw pact nations and NATO nations? Has this proposal been put to any of the NATO governments and, if so, what has been the reaction to it?

Hon. Paul Martin (Secretary of State for External Affairs): There has been no proposal put to us along those lines by the U.S. government, and I am sure there will not be.

[*Translation*]

AGRICULTURE

ESTABLISHMENT OF FEED GRAIN AGENCY

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, may I put a question to the Minister of Forestry?

Inquiries of the Ministry

Since the electoral platform of the Quebec provincial Liberal party provides for the establishment of a feed grain agency—

Mr. Speaker: Would the hon. member put his question?

Mr. Choquette: —my question is this. Has the minister surrendered that jurisdiction to Quebec or were discussions held with the provincial authorities in that connection?

Hon. Maurice Sauvé (Minister of Forestry): Neither one nor the other, Mr. Speaker.

[*English*]

CANADA PENSION PLAN

INQUIRY AS TO REFUNDS TO EMPLOYERS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Is the government giving consideration to the injustice being perpetrated upon employers under the Canada Pension Plan where, in certain instances, employers do not receive refunds in the same way as employees?

Mr. Speaker: Order, please. The question as asked is argumentative.

Mr. Starr: Mr. Speaker, I wish to reword my question and ask the Minister of National Health and Welfare whether consideration is being given to allowing the employer the same advantages as the employee with respect to refunds in certain instances under the Canada Pension Plan.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, this aspect of the Canada Pension Plan is under the administration of the Department of National Revenue, and possibly the question should be directed to the Minister of National Revenue.

Mr. Starr: Well, this is a new switch, so I will ask the Minister of National Revenue.

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, this is no new switch. I have been asked this question several times before and, as I have stated before, we are examining all means of dealing with this problem but to this point we have not arrived at a satisfactory solution. When a solution is arrived at it will require changes in the legislation in order to bring it into effect.

[Mr. Choquette.]

Mr. Starr: As a supplementary question, if a solution is arrived at and changes are made, will they be made retroactive to the beginning of the plan?

Mr. Speaker: Order. I suggest the question is becoming hypothetical.

NORTHERN AFFAIRS

YUKON—INQUIRY AS TO APPOINTMENT OF COMMISSIONER

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I ask the Minister of Northern Affairs and National Resources, in view of the fact that the house will not be sitting until next Tuesday, whether he has arrived at a decision with respect to the appointment of a replacement commissioner for the Yukon and, if so, would he make an announcement to the house?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): No, Mr. Speaker.

[*Translation*]

TELEVISION

QUEBEC—USE OF TELEPHONE COMPANY FACILITIES

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I have a question for the Secretary of State.

Has she considered the offer of Northern Quebec Telephone Company Limited to bring television service, through its microwave network, to the population of Chibougamau-Chapais, from Rouyn or Lake St. John.

Can the Secretary of State now say whether she has accepted that offer?

Mr. Speaker: This question should be placed on the order paper.

Mr. Laprise: I ask permission to debate it at ten o'clock.

INDUSTRY

PROPOSED ASSEMBLY PLANT FOR RUSSIAN MADE AUTOMOBILES

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to put a question to the Minister of Trade and Commerce.

Can he tell the house whether he is aware that a project for assembling Russian made

cars is now materializing in Canada, and whether those plans are in line with his department's policy?

[*English*]

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, may I take this question as notice.

[*Translation*]

Mr. Speaker: That question is of a very general nature and should be put on the order paper.

Mr. Allard: Mr. Speaker, I wish to discuss it after ten o'clock.

[*English*]

TRADE

POSSIBLE SALE OF PETROLEUM PRODUCTS TO JAPAN

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Would he report to the house on whether there have been serious negotiations between Japan and Canada in reference to the purchase of crude petroleum products from Alberta, which will promote a new pipe line from that area to the west coast?

Mr. Speaker: Order. This is the same type of question as the one on which I have just ruled. Because it is of a very general nature it should be placed on the order paper.

Mr. Woolliams: Maybe I can make is specific, Mr. Speaker. Have there been negotiations between Japan and Canada with reference to petroleum products?

Mr. Speaker: The question may be more specific but the subject matter is still of a general nature.

AIR CANADA

WINNIPEG—REPORT OF INQUIRY RESPECTING MAINTENANCE BASE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a specific question for the Minister of Transport in the hope that he will not evade it as he did yesterday. It is based on the Thompson commission report. Does the government agree with the finding of the Thompson commission that the overhaul and maintenance base of Air Canada at Winnipeg should be discontinued so far as jet aircraft are concerned?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the maintenance base at Winnipeg has never serviced jet aircraft; therefore that could not be discontinued.

Mr. Churchill: As a supplementary question may I ask the minister, in view of the recommendation of the Thompson commission that the overhaul and maintenance base at Winnipeg be not used for jet aircraft owned by Air Canada, what steps will the government take in order to fulfil another recommendation of the Thompson commission:

> A policy of decentralization of some Canadian government administrative or operational activities might enable the transfer to Winnipeg of a number of operations and activities which would have a significant beneficial effect on the Winnipeg economy and help fill the void without at the same time placing any economic burden on Canada at large?

Mr. Speaker: Order, please. I am sure the hon. member will recognize that this question is argumentative. It is of the same type as questions asked yesterday which the minister answered, though perhaps not to the satisfaction of the hon. members who placed the questions, and I suggest that it should not be asked at this time.

Mr. Churchill: May I suggest to you, sir, that far from it being argumentative I based the question on the commission report. It is of urgent and important interest to the city of Winnipeg and the province of Manitoba.

Mr. Speaker: I appreciate the arguments being put forth by the hon. member for Winnipeg South Centre, but he will recall that a number of similar questions were asked yesterday by hon. members relative to the report, and a general answer was made to all those questions by the minister, an answer which I suggest applies today as it did yesterday.

Mr. Churchill: On a question of privilege, Mr. Speaker, the general answer made by the minister yesterday was:

> —which is a document of 175 pages, without appendices, and I think it would be terribly presumptuous on my part to attempt to summarize it.

He did not answer my question at all. He has now read the report.

Mr. Speaker: Order, please. The question is out of order.

Inquiries of the Ministry

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to ask—

Mr. Speaker: Does the hon. member for Winnipeg North Centre want to submit a different question?

Mr. Knowles: It is a different question but in the same field, Mr. Speaker. Will the Minister of Transport make a statement to the house at an early date concerning the government's attitude toward the Thompson report recommendations?

Mr. Pickersgill: Mr. Speaker, I would be very happy to make such a statement either in the house or before the committee on transport, whenever my estimates are before them. In the meantime I think it would be desirable for the government to give some consideration to the recommendations before giving hasty answers to hasty questions.

[*Later:*]

Mr. Churchill: Mr. Speaker, I should like to ask the Minister of National Defence whether in the course of his planning for the air force in the future he will keep in mind the availability of the overhaul and maintenance base in Winnipeg and the skilled personnel who might be very helpful in performing tasks on behalf of the air force in years to come.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, these considerations are always kept in mind. As my hon. friend knows, however, the actual supply of maintenance facilities for the air force is a subject for negotiation by my colleague the Minister of Defence Production.

Mr. Churchill: Mr. Speaker, I should like to direct my question to the Minister of Defence Production who is also concerned with regional development. Will he take note of the question I asked earlier of the Minister of National Defence?

Hon. C. M. Drury (Minister of Industry): I will take note of the suggestion, Mr. Speaker.

EXTERNAL AFFAIRS

ACTIVITIES IN CANADA OF U.S. INTELLIGENCE AGENCY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): This is not a hasty question, Mr. Speaker, because it was first asked on May 3 and no answer was given at that time.

[Mr. Speaker.]

It has to do with the question of whether Canadians shall be subject to F.B.I. investigation in Canada. I ask the Secretary of State for External Affairs whether he has made it clear to the United States that policemen from south of the border cannot investigate in Canada alleged wrongs committed by individuals in Canada under the military laws of the United States. Has that been made clear, or what is the present position regarding this question?

Hon. Paul Martin (Secretary of State for External Affairs): It has been made clear, Mr. Speaker, and I am advised that there are no such interventions.

Mr. Diefenbaker: Well, Mr. Speaker, have no cases been brought to the attention of the minister in this regard?

Mr. Martin (Essex East): I said there have been no cases brought to my attention of the C.I.A. intervening in Canada.

Mr. Diefenbaker: I asked about the F.B.I., not the C.I.A. Let us get our alphabet correct.

Mr. Martin (Essex East): I beg my right hon. friend's pardon. I thought he was asking me a question about the case of the Esthonian who has brought suit in the United States against the C.I.A. He had asked me that question previously and I had not yet replied to him. My present reply was with regard to that question.

Mr. Diefenbaker: Oh, I see.

Mr. Martin (Essex East): With regard to the question he asked me now, I will give that careful consideration.

Some hon. Members: Oh, oh.

FISHERIES

SALMON—PROPOSED EXTENSION OF NET FISHING LIMITS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the Minister of Fisheries arising out of a statement he made earlier today. Could he inform the house whether the government intends to exercise the right which it reserved to extend the net fishing limits seaward prior to the commencement of the coming salmon fishing season, if there is no change in the current United States position before that time?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I am not in a position to make a definite commitment at this time. The Canadian delegation has not yet returned to Ottawa. I wish to discuss this problem with my deputy minister before making any further commitment.

AGRICULTURE

MANITOBA—REPORTED DISEASE IN CATTLE HERDS

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is for the parliamentary secretary to the Minister of Agriculture, in the absence of the Minister of Agriculture. Has he received any communication which would indicate a rather severe outbreak of disease among cattle herds in Manitoba? If so, is there any possibility that action will be taken by the department?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I have not received any communication. I will check with the minister's office.

TRANSPORT

APPEARANCE BEFORE COMMITTEE OF C.N.R. AND AIR CANADA OFFICIALS

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, my question is for the Minister of Transport, who nearly answered this question on two or three occasions. Does the minister know when the officials of the Canadian National Railways and Air Canada will be available for appearances before the committee on transport and communications? I ask this question now that the hard working committee is back from its unique trip out west, rested and ready to do more business.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, perhaps you will permit me to stretch the rules a little and say how pleased I am, and how pleased I think members in all parts of the house should be, at what I judge to have been the excellent reception given to the committee on transport and communications all through its hearings in western Canada. These hearings were carried out in an admirable way and are a great credit, I believe, to this parliament.

With regard to the Canadian National Railways and Air Canada, I may say that almost every day I am asked by the heads of those companies when they can appear before the committee. Both seem eager to appear.

[*Translation*]

NATIONAL DEFENCE

QUEBEC—R.O.T.P. SERVICE BY STUDENT PRESIDENT

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a question to the Minister of National Defence.

Following the numerous requests received from the various students associations in Canada about the Nelson case, does the Department of National Defence intend to revise its position and grant a one-year exemption to the president of the "Union générale des étudiants du Québec"?

Mr. Speaker: It seems to me that the hon. member's question is similar to the one which was ruled out of order last Monday.

Mr. Grégoire: Mr. Speaker, I just want to say this. The Nelson case has become urgent, because he must report to the air force on June 6 and the department must give an answer before that date, otherwise that will become an accomplished and irreversible fact.

Since there are barely two weeks left and the U.G.E.Q. is waiting to find out if the president's resignation should be accepted, I think that the Minister of National Defence should give an answer. I feel that the case has become urgent and that the minister should do something, or at least answer the question.

Mr. Speaker: If the minister is willing to answer, I will not object.

[*English*]

Hon. Paul Hellyer (Minister of National Defence): A reply to the telegram is going out today, Mr. Speaker.

[*Translation*]

[*Later:*]

Mr. Grégoire: Mr. Speaker, I should like to put a supplementary question to the Minister of National Defence.

If a reply or a telegram is to be sent today, can the minister inform us whether he intends to grant one year's postponement to the student Nelson?

Mr. Speaker: Order. I wonder whether the question raised by the hon. member is so urgent since he has received an answer. The minister told him that action would be taken

and, under the circumstances, I believe the hon. member should be satisfied.

Mr. Grégoire: Mr. Speaker, I am not quite satisfied, because I realize once again that parliament will be the last to be advised of government action while the public will be informed before us and I wonder whether the minister could say, yes or no, whether a postponement will be granted to the student Nelson? Why should we not be informed about this?

[*English*]

Mr. Hellyer: Mr. Speaker, I will be glad to send a copy of the telegram to my hon. friend this afternoon.

CANADA PENSION PLAN

INQUIRY AS TO COMPLIANCE BY HUTTERITE FARMERS

On the orders of the day:

Mr. J. H. Horner (Acadia): Mr. Speaker, my question is directed to the Minister of National Revenue. Do Hutterite farmers have to comply with the Canada Pension Plan?

Mr. Speaker: Order, please. The hon. member is asking for a legal opinion and an interpretation of the law. The question is not acceptable.

Mr. Horner (Acadia): Mr. Speaker, may I paraphrase another question on the same subject. Will Hutterite farmers have to take out social security numbers?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, the issuance of a social security number is not something which comes under my department. This comes under the Minister of Labour. I will be glad, however, to look into the matter raised by the hon. member and speak to him about it.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, may I ask a supplementary question. Will the minister tell us whether Hutterite farmers, as individuals, now are paying income tax?

Mr. Speaker: Order. This question is not urgent and, if it is acceptable, it should be placed on the order paper.

HOUSE OF COMMONS

PRESERVATION OF TAPE RECORDING OF FATAL EXPLOSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question relates to the history of the House of Commons. Perhaps I should direct it to the minister responsible for the Public Archives, or possibly Your Honour will give me a direction. Is it a fact that in connection with the sound system in this house a tape is made of our proceedings? If so, without lifting the ban against any current use of this tape, would it not be a good idea in the interests of history that the tape of what happened here on Wednesday, including the sound of the explosion that took place, be preserved and put away in the Public Archives, or kept in some appropriate way?

Mr. Speaker: The hon. member for Winnipeg North Centre knows that he cannot ask questions of the Chair; he also knows that he took up this matter with me. I am pleased to advise him that the suggestion he made has been acted upon, and that the tape in question is being preserved.

LABOUR CONDITIONS

BRITISH COLUMBIA—PAYMENT FOR WORK ON VICTORIA DAY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Acting Minister of Labour whether he has any answer now to the question I raised yesterday in respect of the actions of the British Columbia maritime employers association in seeking to deny to members of the longshoremen's union the right to enjoy Victoria Day at proper rates of pay, as provided for under the Canada Labour Code.

Hon. A. J. MacEachen (Acting Minister of Labour): Mr. Speaker, I regret that I did not have an opportunity to discuss this matter with the officers of the department this morning, but I assure my hon. friend that an answer will be given on Tuesday.

Mr. Douglas: I have a supplementary question. In view of the fact that Monday is the day in question, will the minister find out whether some intervention can be made today by the Department of Labour?

Mr. MacEachen: Yes, Mr. Speaker, I will do that.

FISHERIES

SALMON—CONSIDERATION BY U.S.-CANADA INTERPARLIAMENTARY GROUP

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I know that sometimes there is a certain

hazard involved in directing questions to the Secretary of State for External Affairs, but I will take a chance in any event.

Mr. Knowles: One of the hazards is not that you will get an answer.

Mr. Howard: In view of the fact that there have been meetings this week, with another today in Washington of the Canada-U.S. interparliamentary group, will the minister contact his counterpart in the United States, the Secretary of State there, and ask him whether it might be possible to raise the subject matter of the statement which the Minister of Fisheries made on motions, in order that these problems between the United States and Canada in respect of salmon fishing on the west coast may be discussed?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sure we would all agree that it would be a good thing for the Canadian delegation—which is a delegation of this house, not a government delegation—to raise this matter. My hon. friend says it is hazardous to ask me a question. I should have thought it was always fruitful to ask me questions.

Mr. Howard: I should like to ask a supplementary question. In this instance the answer I received does not bear out the latter remarks of the minister. I asked him whether he would contact his counterpart in the United States, and he has not answered that question.

Mr. Martin (Essex East): I thought my hon. friend was asking me to mention this question to the Canadian delegation who are now discussing Canadian-American problems in the United States. In respect of that part of the question relating to my counterpart, I can assure my hon. friend that this question has already been discussed with him.

Mr. Speaker: Order, please. The question period has now expired.

[*Translation*]

PRIVILEGE

MR. CAOUETTE—REPLY OF PARLIAMENTARY SECRETARY RESPECTING C.N.R.

Mr. Réal Caouette (Villeneuve): Mr. Speaker—

Mr. Speaker: Order please. The period allotted for the orders of the day is now expired.

Mr. Caouette: Mr. Speaker, I rise on a question of privilege. Yesterday evening my colleague from Roberval (Mr. Gauthier) was discussing signalling courses of the C.N.R. and the parliamentary secretary to the Minister of Transport gave the following answer:

> The signalling courses given by the C.N.R. are conducted along the same lines as similar engineering courses offered by l'École polytechnique in Montreal. The course is given in both English and French using, however, an English language manual.

My question of privilege is as follows: How can a French course be given with English manuals? I would like to see the Minister of Transport (Mr. Pickersgill) give special attention to statements—

Mr. Speaker: Order.

Mr. Caouette: —such as that one.

Mr. Speaker: Order. I regret but I cannot accept the suggestion of the hon. member that this is really a question of privilege.

[*English*]

SUPPLY

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

POST OFFICE DEPARTMENT

1. Postal services including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $252,804,000.

Mr. Barnett: Mr. Chairman, when we reached the termination of the discussion of the estimates of the department last night I was on my feet addressing a few remarks to the Postmaster General in connection with this years' estimates and the policies of his department. In spite of the fact that I have always found the present Postmaster General a very co-operative member of the government in respect of problems I have raised with him, I could not see my way clear to accept his suggestion that the matter I want to raise be dealt with between us in his office.

I have had a rather lengthy correspondence with the minister, extending from some time last December until March of this year, as a result of which I feel that this is a matter which can only be pursued further by airing it in public on the floor of this house. Were it not for that fact I might have been inclined to agree to his suggestion and not refer to this matter at this time.

There is one other matter which I intended to raise, but in my desire to co-operate with the hon. member for Ontario I shall refrain

from doing so, except to say that it is a hardy perennial type of problem. I have discussed this on many occasions with postmasters general, and if the present minister cares to look back at past years' considerations of these estimates he will find that I have been concerned about the fact that while we have been boasting that we were the first in the world to establish an all-up mail service for faster delivery by air, this policy has been somewhat restricted by its application to main line carriers. Arrangements have apparently still not been worked out to make possible air distribution of mail to many smaller communities where lines are running. As I have pointed out, in one particular case mail that could be delivered in ten minutes by plane requires three weeks for delivery and the return reply.

The particular matter I should like to raise at this time arises from a situation which I have been wrestling with most of the time since I became a member of this house.

• (12:10 p.m.)

It is a situation in which a great many Canadians find themselves because of the nature of our country and the type of industrial development taking place. As a result many people are robbed of what I consider to be their basic right to public delivery of mail by the post office. I am referring to those who are required in the course of earning their living to go to places where living facilities are provided entirely by private companies.

I have had an exchange of correspondence with the minister on this topic in recent months with respect to one particular place. Perhaps I might refer to a letter which the minister addressed to me on January 13 of this year in which he said in part:

> I should like to stress that the establishment of post offices in company towns such as Benson Lake where the town is under the complete jurisdiction of the company is dependent on the willingness of the company to provide the necessary accommodation for postal purposes and the necessary staff to operate a post office.

The minister went on to explain that the Post Office Department does not directly operate the post offices in smaller communities but that the postmasters are responsible for the provision of accommodation.

> In this particular case we would certainly consider the appointment of someone other than the company if they were able to meet the requirements. However, inquiries and discussions with representatives of the company reveal that no one was willing to assume charge of a post office at that point.

[Mr. Barnett.]

I replied to that letter and expressed my disagreement with the position being taken by the Postmaster General. In a letter to the minister dated February 28 I said in part:

> I must reiterate my position that Canadian law should be such that official jurisdiction of the post office should extend to the point of delivery to individual Canadians wherever residential quarters of any permanence are established even though these may be owned and operated by a single private firm.

In reply I had a letter from the minister dated March 21 in which he said:

> I have noted your remark that Canadian law should be such that official jurisdiction of the Post Office Department should extend to the point of delivery to individual Canadian citizens wherever residential quarters of any permanence are established.
>
> In this regard I should like to quote Part 2 (b) of the Post Office Act—

The reference is to the section which defines "delivery". So far as I am concerned the minister missed the whole point I was making. He gave no indication whether he or the government would be prepared to consider making a change in the existing law, and while I thank the minister for drawing my attention to that particular section of the legislation I would point out that the Post Office Act is a public document a copy of which I have in my office. His reply of March 21 is certainly no answer to the question I had in mind, whether he or the government would consider correcting what I believe to be a basic injustice to individual Canadian citizens.

I do not intend to take the time of the committee by giving detailed examples of the kind of abuses of the right of individuals to receipt of mail which have occurred to my own knowledge. In this parliament, however, there appears to be an increasing and welcome concern about the rights and freedoms of Canadian citizens. I am not talking about survey crews of half a dozen men who move across the country, camp in tents and do not stay in one spot for longer than two or three days. I am contending that if there is a permanent logging or mining camp where living quarters are provided by the employer, Canadian law should be framed in such a way that it would no longer be up to the operators of the residential community concerned to decide at their own sweet pleasure whether they should enable those living in that community to have the benefit of a proper postal service. This is the issue and I feel we should have an answer from the hon. gentleman on this question.

I can refer to one section of the Post Office Act which the minister did not mention in his letter, section 8, where it is stated that the postmaster shall have the sole and exclusive privilege of collecting, conveying and delivering letters within Canada. I would argue that this should not only be his exclusive privilege but also his exclusive responsibility. I shall not enter now upon a discussion of what one hon. member some years ago called the bootlegging of mail in Canada but I am concerned, as I say, with the abuses which have been taking place in this area involving the right of Canadians to have their mail safely delivered.

I will give just one example. A number of years ago arrangements were made for the delivery of certain parcels to workers in areas where there were no liquor vending stores. The normal arrangement was to carry in the mail from the post office to the community concerned. But the whole arrangement was invalidated when the company concerned refused to carry this particular type of mail to the men living in the community, a logging camp.

An hon. Member: Cut off the booze.

Mr. Barnett: I said at the time that should an individual employee abuse his right recourse was available to the company but that it was improper and contrary to our concept of justice that any private organization should be able to deny to a citizen his normal right to receive mail addressed to him.

Mr. Douglas: Or to interfere with Her Majesty's mail.

Mr. Barnett: I am not sure whether legally or technically the company could be considered as having done that. The company told its employees: If you want to go 60 miles down the logging railroad to the post office, you can pick it up yourselves. But the men were entirely dependent on company transport in any case. I presented the argument but could not get agreement from the government at the time that there was technically any interference with the mail.

• (12:20 p.m.)

At this point I should like to remind the Postmaster General of the discussion we had in this house the other day led by the Minister of Northern Affairs and National Resources who painted a glowing picture of the possibilities for the future development of the far north. He described in some detail the resource possibilities of that area. I suggest to the Postmaster General that if this kind of development is going to take place much of it will come about through the establishment of the type of communities about which I am concerned.

This problem is not confined to one particular constituency or area of Canada but is one which will be of concern to members in every quarter of this house. If the present Post Office Act does not allow the Postmaster General, in the kind of situation I am describing where people are residing, to require a post office to be established and someone to operate it under his jurisdiction, then the act should be changed. Appropriate legislation should be introduced without further delay to rectify what in my view is a very longstanding problem and legitimate grievance on the part of many Canadians who go forth to do the hard work of producing the wealth which enables us to enjoy the standard of living that we have been able to achieve.

Mr. Rapp: Mr. Chairman, it is not my intention to delay the passage of these estimates but there are matters which I feel I should bring to the attention of the minister. I congratulate him upon his appointment to the portfolio of Postmaster General. Although I have quite a number of new post offices in my constituency, there is a need for more. The areas that need post offices are mostly areas in which private homes or buildings are rented by the Post Office Department and the service provided by these offices is not of the type the people would like. Under these circumstances we cannot blame the operators of these offices for not giving the service the people would like to have. It is for this reason I should like to see more new post offices erected in my area.

Another complaint I have received concerns the mail truck contractors. They are faced with increased expenses compared with the time when they entered into their contracts. The price of trucks is higher than it was then and operating expenses have increased as well. I believe these contracts should be reviewed more often than they are now. Many people who entered into these contracts could be earning better wages if they had accepted other types of employment. I emphasize the point strongly that these contracts should be reviewed more often and consideration should be given to the fact that the cost of living as well as the cost of their equipment is going up.

There is one more matter I should like to bring to the attention of the Postmaster

General. I refer to the fact that the telephones have been removed from some of the larger post offices. This causes hardship not only for the post office officials but for the people living in the country, particularly in the wintertime when it is often difficult to get to town. The telephones which have been removed should be reinstalled and telephones should be installed in those places which have not had them.

These are the essential matters I should like to bring to the attention of the Postmaster General. As I said at the outset, I cannot complain too much about the department's lack of consideration of the need for post offices in my area. There may be other areas with priority. However, I believe there should be new post offices erected to replace the buildings that have been rented in order to provide service for the people.

Mr. Keays: Mr. Chairman, I intend to speak for only a minute or two. I should like to raise two problems with the Postmaster General. I may say that to date I am batting .667 with him and I hope I will finish the session that way. One of the problems concerning post offices in my area involves the Department of Public Works. I understand this department is building the small post offices in that area. I would ask the minister to advise the post office officials not to take over these new buildings until they are completed. The fact is that the Post Office Department has rushed into the new building before the general contractor has completed his job; possibly some of the mechanical trades have not completed their work. Once the department occupies the new building the subcontractors or the suppliers of subcontractors are often faced with having to wait six to eight months and in some cases up to a year before being paid by the contractor. I think we could avoid this situation and help these people by not accepting post offices until they are formally taken over by the Department of Public Works. In one case I know that an amount of $12,000 is owing to a supplier by the subcontractor who has been paid a fair amount of his money. However, he is not in a rush to complete the job and this has put the supplier in an awkward position.

The other problem I should like to raise with the minister relates to the small mail contract amounting to $800 or $900. Some of these contracts were made before changes were made by Canadian National which transports the mail in the first place. About 60 per cent of the time the trains are late, and I do not mean by 10 or 15 minutes but two or three hours late. These contract mail carriers now have to spend the major part of the day waiting at the railway station for the train to arrive. They are losing other income by so doing. I have written to the minister concerning the problem and this is the third of my batting average where I have not been successful. I ask him again to reconsider these cases so these people will receive consideration for the time spent waiting for trains.

• (12:30 p.m.)

[*Translation*]

Mr. Caouette: Mr. Chairman, I do not intend to talk more than 30 minutes on the estimates of the Post Office Department.

I would like to say how much I appreciate the co-operation I have received so far from the Postmaster General (Mr. Côté). He has been friendly, conciliating and he has accepted several of the suggestions made to him. I thank him very sincerely.

However, and quite rightly, that does not prevent us from having our little problems, because quite often the settlement of a problem creates new ones. Consequently, one must not be surprised to see problems arise in various ridings.

Last year, I made strong representations to the minister about the post office in Rouyn. I understand that the matter concerns mostly the Department of Public Works, but the Post Office Department is also concerned, because I am sure that if the Postmaster General requested the building of a new post office in Rouyn, the Minister of Public Works (Mr. McIlraith) would not take long to accede to his request.

As I have said already, I am wondering what architect is responsible for the eyesore we have in Rouyn. I secured pictures of it, which I showed the minister, and I feel that one must be blind not to see how dreadful such a building is, when there are such nice post offices in Noranda, Malartic, Cadillac and Val d'Or.

And yet, the city of Rouyn, the metropolis of the northwest of the province, has a post office which, as we say so well in French, is not fit to be looked at.

It is probably not an architect who prepared the plans, but an official of the Public Works Department who tried to play a trick on the Postmaster General by giving us such a building. In any case, once again I call the minister's attention to that matter.

There is another thing I want to point out to him. It is the postal service in Val d'Or.

Last week, while I was in Val d'Or, I met the municipal authorities who told me about the slowness of the letter delivery service from Montreal or Ottawa. It seems that it takes two, three and even four days for letters to reach Val d'Or. There is undoubtedly something wrong with mail transportation or letter delivery.

I know that departmental officials will examine my remarks, and there is surely room for improvement within the department. As a matter of fact, there is no reason why the mail from Montreal or Ottawa and addressed to Val d'Or should not be delivered the same day, when the distance between Ottawa and Val d'Or is covered in five hours, and between Montreal and Val d'Or, in seven or even six hours. In my opinion, there is no reason whatsoever for a letter mailed in the morning not to be delivered in Val d'Or the next morning.

Therefore, I urge the minister to ask his responsible officials in the postal service to inquire carefully into the delivery service provided to Val d'Or at present.

Mr. Chairman, those are the few remarks I wanted to make, and before resuming my seat, I repeat what I said at the beginning. I find the Postmaster General very understanding and co-operative with members of the house. Besides, he proved it by putting an end to political partisanship in order to provide efficient service to the population as a whole.

Mr. Gauthier: Is he bilingual?

Mr. Caouette: In addition, Mr. Chairman, he is bilingual.

Mr. Chrétien: Mr. Chairman, it is in my capacity as member for Saint-Maurice-Laflèche that I wish to say a few words about the estimates of the Post Office Department.

I must say first that I am pleased to join with the member for Villeneuve (Mr. Caouette), which is a rare occurrence. I also wish to congratulate the Postmaster General (Mr. Côté) on the manner in which he performs his duties and, as the member for Villeneuve so rightly said, he is an understanding man.

I should like, therefore, to call his attention to a problem and ask his help on behalf of Shawinigan South a municipality of 15,000 inhabitants, in the riding of Saint-Maurice-Laflèche.

The good people of Shawinigan South do not have adequate mail service for their operations. There are a few post offices in grocery stores, but what is really needed for the numerous businessmen of Shawinigan South and the rest of the population, is a building where essential postal services would be provided, specially post office boxes, an adequate parcel post service open during lunch hour. In fact, several complaints have come to me from voters in Shawinigan South who cannot obtain proper service during lunch hour, because the two or three small post offices located in grocery or drug stores are not giving adequate service during lunch hour and, many times, people have to go to Shawinigan proper, that is three miles from Shawinigan South, to get normal postal service.

Many times in past years, I have made representations on this matter without results. That is why I am raising the question in the house today, because postal service is most important for the citizens of Shawinigan South. In fact, to obtain proper postal service, they have to cross the Shawinigan bridge, the two bridges on the St. Maurice river and finally get to the city of Shawinigan. I feel these people are entitled to adequate postal service, and this could be achieved by opening a sub-office in Shawinigan South. True, there is one already in the northern section, in St. Mark parish, but I suggest that the Postmaster General should ask for the necessary funds to establish a sub-office in the city of Shawinigan South, where the people have already made representations to that effect.

Once again, I congratulate the Postmaster General and and I urge him to keep up the good work in his job.

[*English*]

Mr. Starr: Mr. Chairman, I have a few remarks to make concerning the representations made by employees of the Post Office Department as a result of which a commission headed by Mr. Justice Montpetit was set up. From what the Postmaster General said yesterday he led me to believe that the Minister of National Revenue had indicated that once the collective bargaining bill has been passed possibly all these matters will be subject to bargaining. I should like some assurance from the minister that the questions Mr. Justice Montpetit is considering at the moment will be dealt with after the government has received his recommendations and not brushed aside or designated as

matters for collective bargaining. I think legitimate problems have arisen in the past or are in existence now which should be rectified prior to any collective bargaining legislation.

Mr. Côté (Longueuil): Mr. Chairman, I can assure the hon. member that most of the recommendations which will come from the Montpetit commission will be taken care of right away unless they deal with salaries or matters like that which can be dealt with more easily when collective bargaining is brought in. So far as working conditions are concerned, I can tell the hon. member that a few months ago some changes were made and as soon as we get the final report we will do our best to get everything settled as fast as possible.

Item agreed to.

The Deputy Chairman: That concludes the estimates of the Post Office Department. We will now proceed with the estimates of the Department of Industry, to be found at page 178 of the blue book.

DEPARTMENT OF INDUSTRY

1. Departmental administration, including grants as detailed in the estimates, $6,795,400.

• (12:40 p.m.)

The Deputy Chairman: Shall item 1 carry?

Mr. Starr: Mr. Chairman, I think the members of this committee would like to hear from the Minister of Industry exactly what his department has done and what it intends to do under the estimates provided for the department at this time. I refer particularly, of course, to industry. Is industry in fact using the minister's department to the extent that would warrant these expenditures and the organization of this department? Is industry using it to a greater extent than the branch that existed for many years in the Department of Trade and Commerce? It is obvious that there has been a tremendous expansion in the Department of Industry and in its personnel compared with the facilities previously existing.

What puzzles me or raises some doubt in my mind is whether the activities of the department justify the expenditures involved here. I have talked to people in industry. They do not seem to know exactly how this department can help them. They want to know if the department is prepared to act in a consultative capacity? Is it there to give advice? If so, on what basis and in what areas? As I understand it, the branch formerly existing under the Department of Trade and Commerce was set up for such purposes and was able to give industry much advice. I should like the minister to go into some detail to give us some idea about the points I have raised so as to clear the air and do away with the doubts existing in the minds of many people in industry regarding this department.

Mr. Drury: Mr. Chairman, although it has been some time since I have made a formal statement in the house on the operations of the Department of Industry I have the impression from the large number of questions I receive, both in the house and through correspondence, that members keep in close touch with the department's activities. I find this gratifying. The work we are doing is, I think, important to promoting this country's economic development and therefore of direct interest to all Canadians.

The formulation of a sound philosophy of operation deserves top priority in establishing any new department or agency of government. Some of the questions that have been put to me in the house and elsewhere indicate a very live interest in how we are going about the tasks which parliament has entrusted to the Department of Industry.

The department was established in recognition of the pressing need for Canada to attain an efficient expansion of our manufacturing industries. This is widely recognized as a necessary condition of sound economic growth, adequate employment opportunities for our rapidly growing labour force and an increase in our standard of living. It is not sufficient merely to expand our industries.

Mr. Starr: May I interrupt the minister to ask him a question? Does that also include the rapid rise in the cost of living? Is that question also of importance to this department?

Mr. Drury: Mr. Speaker, one of the functions of the department is to increase productivity in Canada. With his knowledge of economics the hon. member for Ontario will recognize that this is one of the most effective ways of controlling undue rises in the cost of living.

Mr. Starr: How is it being done? Could the minister explain that?

Mr. Drury: If the hon. gentleman would let me proceed, perhaps I could answer his question.

Mr. Starr: I hope the minister will answer it.

Mr. Drury: The hon. member asked a question and I proceeded to answer it. Before I had full opportunity to answer he asked another question. As I say, it is not merely sufficient to enlarge our industries or cause industries to grow. We must at the same time ensure that industrial efficiency improves. This of course means that we must place a high premium on improving productivity which is defined as output per man. Indeed, increased output per man is the only basis for improving our competitive position and for ensuring an increasing standard of living. To the extent that we achieve an improvement in productivity we will also be able to achieve our other economic goals such as stable prices and a viable balance of payments.

Government action can have a significant influence on the efficiency and rate at which the secondary manufacturing sector of the economy develops. The aim of the Department of Industry is to ensure that this influence is positive and helpful.

There are, of course, many factors which influence productivity. These include the quantity and quality of technology applied in industry, the level of education and skills of the labour force, the competence and imagination of our managers and entrepreneurs, the availability of capital, the environment of laws and regulations established by government, and the conditions governing access to foreign markets. The influence exerted by each of these factors on the growth of productivity varies between one sector of industry and another. The estimates now before you reflect a variety of programs to meet some of the more pressing problems of industrial development in Canada. Additional programs are being formulated and these will be proposed for your consideration during the coming year.

I should like to say a few words about the range of activities in which the department is engaged. First, we are developing a series of programs which will be helpful to industry generally in achieving efficient expansion. These include our activities to stimulate technological advance and improvement in our industrial design capability. Second, we have introduced a number of special programs to assist in solving problems unique to specific industry sectors. Examples are the automotive program, assistance to shipbuilding and our efforts to help the furniture industry. Third, the department tries to ensure that policies and programs which are the responsibility of other federal government departments and agencies are formulated so as to provide industry with optimum opportunities for efficient expansion.

These activities can only be carried out effectively if the department attains a detailed and comprehensive knowledge of industry problems and devises good solutions, and if parliament votes the funds necessary to implement them. The task of obtaining a solid base of knowledge occupied a high proportion of our time during the first year or two of operations. This work has now been carried to a point where our efforts can be applied increasingly to the formulation and application of programs. This requires greater resources of money and manpower, and I think you can see this gradual shift in emphasis clearly reflected in the estimates.

• (12:50 p.m.)

One of the major items of expenditure in departmental administration is the cost of wages and salaries. We are a small department in terms of numbers of personnel and we intend to keep it that way. At the same time, I think hon. members will agree that if we are to perform the tasks I have outlined we require an adequate number of highly qualified personnel to do the job.

A second major component of the administrative vote comprises a variety of expenditures related to information, communication and promotion. Industrialists who are aware of the latest developments in materials, equipment, managerial and production techniques, the changes in government regulations, and the market opportunities for their products, are in a better position to operate their businesses efficiently. No one can deny that good sound knowledge of what is going on in industry contributes significantly to effective entrepreneurial decisions, which are in turn a major determinant of business success.

Hon. members will see from our estimates that we attach a good deal of importance to providing the business community with current information on the opportunities available to them for improving their performance. This activity includes co-sponsoring research studies, the publication of reports on a wide range of technological, commercial, financial and market problems, and the sponsorship of technical missions, conferences and seminars to increase knowledge of current practice within similar industries both at home and in other countries.

The department is continuing its efforts to assist Canadian business in improving the design of Canadian products through a variety of education and information projects. Its programs include: scholarships and grants to provide financial assistance to students of industrial design for advanced study in Canada and abroad, and maintenance of the Canadian design index and the register of Canadian which provide data on products of Canadian designers, design and information to industry on designers and design services.

In order to ensure that Canadian businessmen may fully exploit the market opportunities generated by the centennial celebration and Expo '67, the department has undertaken to identify the types and volume of goods required to meet these needs and encourages Canadian businessmen to develop well designed Canadian made products to satisfy this demand. Concurrently, those concerned with planning and construction of centennial and Expo projects are made aware of the hundreds of products now available from Canadian sources which embody current concepts of industrial design.

The department maintains a design centre in Toronto to focus the attention of manufacturers, distributors, buyers and the general public on the need for well designed products. The department and the national design council will establish a second national design centre in Montreal in the near future. The department continues to co-operate with manufaturers' associations and professional groups in co-sponsoring a series of design award programs. Such programs have already been carried out in the field of structural steel and wood products. This year's schedule includes award programs to promote good design in electrical appliances and steel products.

While these projects involve an element of direct cost, their major cost impact is for the salaries and wages of personnel who plan and organize the projects. I believe that the results we have had to date from this activity justify the costs incurred. I am confident that our proposed expenditures for 1966-67 will be no less successful.

There are a number of major program items listed in the estimates. I would like to say a few words in explanation of each of these. In view of the fact that we only recently debated the resolution on the automotive agreement, I will not make specific reference to it here.

[Mr. Drury.]

The area development program has sparked as much interest as any single program administered by my department. Hon. members are aware of the criteria used for designating areas eligible for development benefits and the scale of benefits provided. Accordingly, I would like to confine my comments to a review of the philosophy of the program. My earlier references to productivity were in terms of "output per man". There is another interpretation of the term which is more appropriate to apply in the case of area development. No nation can reach its full potential if it is suffering from high levels of unemployment. Not only do unemployed labour resources mean lost opportunities to increase output but they also involve welfare payments which constitute a further drain on resources that would otherwise be available for production purposes.

The federal government has, of course, a wide range of fiscal and other general measures designed to maintain a high level of national employment. Experience has shown, however, that some parts of the country do not respond adequately to those measures. They continue to suffer from higher levels of unemployment and lower levels of income than the rest of the country. The area development incentives are designed to encourage establishment of new industries or the expansion of existing industries in such areas, thereby supplementing federal full employment policies in a direct way and making them more effective. Since the program is designed to assist in that development of industrial employment opportunities in areas characterized by chronic unemployment and underemployment, the areas designated are those where unemployment is high, the rate of employment growth is low and income levels are well below the national level.

The degree of success achieved to date has been most encouraging. The department has received 450 firm notifications from companies that intend to establish or expand their facilities in designated areas. Our periodic program reviews have indicated that ten of the areas previously designated have reached levels of employment and income which put them outside the designation criteria. They were, therefore, removed from the list eligible for development benefits.

The results of the program are under continuing evaluation to help us refine the criteria for the definition of areas requiring assistance and also to help us formulate

supplementary programs which may be required to further our objective of bringing new economic opportunities to those parts of the country most in need of them.

The 1966-67 estimates provide funding for two programs aimed at encouraging increased research and development activity in Canadian industry. Until fairly recently Canada has relied very heavily on imported technology as a stimulus to industrial growth. For a country in its early stage of industrial development, reliance on imported technology is both necessary and desirable. I am sure we will continue to draw heavily on technology from abroad for many years to come. However, in view of increased international competition that has occurred over the past decade, Canadian industry must now begin to carve out a niche for itself in a number of selected areas of technological development. We must do this not only to increase our exports of manufactured goods but also to ensure maintenance of our domestic markets in conditions of freer world trade so much in vogue today.

The newly established program for the advancement of industrial technology P.A.I.T., is designed to promote the application of scientific and technological advances to the development of new products or processes for the commercial market. Essentially P.A.I.T., is a form of development insurance for underwriting selected development projects which involve a significant technical advance and which offer good prospects for commercial exploitation.

The initiative for proposing development projects and the responsibility for their direction rests with industry. All relevant costs of the projects are shared equally by the government and the firm. In the event the project is successful and the results are put to commercial use, the firm is required to repay the government's contribution with interest. Repayment may extend over a period up to ten years. However, if the project is unsuccessful payback is waived. Proprietary rights resulting from the development project are vested in the firm, which is, of course, expected to exploit the results of the project in Canada.

Since the inception of this program some 20 projects have been approved and several times that number are being processed. In view of industry's response so far, I am confident this program will continue to grow and that we will begin to obtain concrete results within the next year or two.

Vote 5 is complementary to the program for advancement of industrial technology. It is administered by the Department of Industry in co-operation with the Department of Defence Production. Vote 5 is designed to sustain a technological capability in Canadian industry by supporting selected defence development projects. Many of these have significant application in the non-defence market.

This program has been in existence for some six years. Because of its defence orientation the bulk of its expenditures have been made in the aerospace and electronics industries. Estimated expenditures for 1966-67 amount to $25 million. Assistance from this vote has permitted development of a considerable number of items of defence equipment which have contributed significantly to Canadian export to the United States and other markets. It provides an important support for our defence production-sharing arrangement and has helped to improve the technological base of our industry generally.

Later this session the house will be asked to approve a third program of research and development assistance for Canadian industry. The program will replace the incentives presently provided under the Income Tax Act.

The present income tax incentives which were introduced in 1962 appear to have been reasonably effective. However, the principle of using taxation to encourage research and development is essentially discriminatory since many small or growing firms are not in a profit-making position and therefore cannot take advantage of the tax incentives. In order to broaden the availability of the general research and development incentive, it will be proposed that you approve a program of statutory grants for which all firms doing research and development can qualify.

• (1:00 p.m.)

The level of benefits under the new program will be broadly equivalent to those now available under the tax incentive program. Twenty five per cent of all capital expenditures related to research and development will be paid by the Department of Industry. A similar grant will apply to all research and development operating expenses incremental to the average of the previous three years. Since the program is scheduled to come into effect this year, I will be proposing legislation for ayour approval later this session.

I have taken up a good deal of the committee's time with these remarks. However, this

is the first opportunity the house has had to consider the Department of Industry's estimates separately and I think it is important that we understand the basic approach guiding departmental operation together with the rationale behind its major programs. If there are any points which remain unclear, I shall try my best to clarify them.

Mr. McCleave: Mr. Chairman, I wish I could share the enthusiasm of the minister for his area development program but unfortunately I cannot, and I am sure most of my colleagues from Atlantic Canada share my misgivings. As the minister and members of the house know, we have a very high unemployment rate in Atlantic Canada, a rate over twice the national average. At one point this winter it had reached, I believe, 10.9 per cent. This proves that the measures taken by the minister and the government are simply not enough.

We in Atlantic Canada have made several suggestions with regard to the area development program which I think are worthy of consideration by the minister. They have been developed by the Atlantic Provinces Economic Council, non-partisan body, I am sure the minister will agree, since it is composed of people from management, labour and other organizations and of all political stripes. The suggestion was set forth in the annual report of the Economic Council of Canada—in this regard the minister has engaged in spirited correspondence with the mayors of Halifax, Dartmouth, Saint John and Fredericton and the warden of the municipality of Halifax county—that there be no exclusion of these metropolitan areas from the area development incentive program as it now exists.

I suggest to the minister, as I suggested by letter previously and as others have done, that this does in fact make economic sense. When there is an area with high unemployment surely, if the act is to accomplish its purpose, the entire area should be treated as a separate economic problem and the benefits and incentives under the act should be generously extended to that area until the unemployment rate has dropped to a level where one can say with some satisfaction that the program is meeting the needs of the people there. So I suggest again to the minister that he and his officials review the request of the Atlantic Provinces Economic Council and of the mayors of Halifax, Dartmouth, Saint John and Fredericton, and the warden of the municipality of Halifax county to see whether it would not be possible to extend the act to the entire area of Atlantic Canada until such time as our savage unemployment problem is brought within measurable bounds. I know that the minister and his officials have reviewed this matter but I ask them to do it again.

What we are encountering there is a certain attraction of industry to the area—this I have to admit—but sometimes it is at the expense of the cities which are outside the incentive provisions. I think the minister would agree with me that it does not particularly help the problem when you shift unemployment from one part of a region to another. The purpose should be to attract new industries there and not relocate old industries. Therefore I suggest that the minister and his officials examine the formula to see whether it is possible to include those four cities. The formula itself seems to be a bit freakish, if I may use that expression, in that the city of Moncton, my birthplace, a very bustling city which has grown by leaps and bounds along with some of the other cities in the Maritimes, is not excluded from the act. I believe this is because unemployment in an adjacent large rural area has been a problem for years and this area is considered to be a part of the greater Moncton complex. This brings Moncton within the operation of the act.

It seems to me that this is one of the flukes or freaks which can develop where the criteria are very flexible; yet there is no reason that Saint John, Fredericton, Halifax and Dartmouth should not receive advantages comparable with those of Moncton. If the minister does not accept the idea of bringing Halifax, Saint John, Dartmouth and Fredericton within the act, then I suggest to him an alternative. To my mind it would be a very poor one but at least it would be an improvement over the existing formula. I suggest that he confine the area excluded from the act to the narrowest possible boundaries. I say this because in Halifax county the line is some distance removed from the city of Dartmouth and yet between Dartmouth and the line there are rural areas which because of their connection with the metropolitan areas of Halifax and Dartmouth are not allowed the benefits of the area development incentive program. One cannot see a discernible difference between the economies of the villages in these areas and

the salaries paid there and those in the villages a little farther down the coast.

From my discussions with officials of the department and as has been stated by the minister, I understand there is a periodic review of the exact geographical limits of areas under this act. It is my understanding that the Halifax metropolitan area situation is to be investigated again next year. I hope, however, that the minister will look at it in the near future since I believe he has received a communication from the warden of the municipality of Halifax county indicating that there are outside interests which could be induced to set up new businesses in some of the small fishing villages which now do not enjoy the benefits under the Area Development Incentives Act.

• (1:10 p.m.)

Although I am sure he knows, I might tell the minister that this was a rather keen point in the last election campaign. The very principle advocated by my leader, the right hon. member for Prince Albert, was that until employment conditions in Atlantic Canada reached an acceptable level the whole area should be given the benefits of the incentive program which now go only to a part of the area. This achieved considerable response from the peoples, as I think the minister will agree if he looks at the election results in Halifax, Dartmouth, Saint John and Fredericton.

I do not want to be too narrow in my criticism of the minister and the operations of his department as I know he is enthusiastic about what he would like to accomplish and I commend him for that enthusiasm. I am not sure it is a good idea to keep his department small, although maybe it is if he has a well balanced team with esprit de corps who fight hard and are not hampered because of its smallness of size. I beseech the minister to look again at the problem to which I have referred. I know that area development incentives are not the easiest things in the world to come to grips with because what you may do for one area you may undo for another.

I have not entered this debate from a strictly negative and critical point of view but have offered the minister two alternatives which I ask him to pursue in order that a review can be carried out as quickly as possible.

Mr. Saltsman: Mr. Chairman, in listening to the minister I could not help but feel that many of the things he is projecting for his department in his outline of the work it is undertaking are the sort of things on which we can all agree. If there is any argument about what is going on in his department it is that the objectives are not matched by actions.

The minister talks about a sound philosophy. I for one am always pleased to note that a minister is interested in philosophy, whether economic or otherwise, but I sometimes think that his philosophy is in trouble and is suffering from schizophrenia. There seems to be a difficulty in the Department of Industry in that the area development program is supposed to be moving industry into certain areas whereas the department of manpower has a mobility program which is supposed to move people out of areas.

I do not quarrel with the suggestion that perhaps both of these programs are required to some extent but I do suggest that there does not seem to be any relationship between the two with regard to which areas people should move out of and into which areas industry should be moved. This is a very difficult problem to handle but it is the kind of problem that will have to be attacked if we are going to obtain an answer.

Very frequently it appears that the area development program is an attempt at being progressive. It seems that we must do something so the department has decided to do this. There does not seem to be any great thought, planning or understanding of problems behind what is being done by the Department of Industry.

The first time I got to my feet to speak in the House of Commons I directed a question to the Minister of Industry because of a problem which arose in my riding as a result of the area development program. I do not have to go into it in great detail because the minister has had considerable correspondence about it. It affected not only the riding of Waterloo South but the ridings of Waterloo North and Wellington South, and quite a number of speeches have been made in this regard.

Although, as I said, the concept of an area development or designated area program is a good one and is probably required in Canada, the way the Department of Industry has been carrying out the program is absolutely without real economic justification or support. I have submitted to the minister time and time again that the criteria followed for designation have been wrong. We have just heard the hon. member for Halifax who indicated

the problems existing in the maritime provinces and the Atlantic region. I think he is quite correct when he says that there does not seem to be any real understanding of what is required in terms of industrial development for the maritimes. That applies not only to the maritimes but to almost every province of Canada.

I should like to quote briefly from the third annual report of the Manitoba economic consultative board which raises this same problem. On page 5 they say:

> We note also the exclusion of Winnipeg and its adjacent area from the industrial development incentives provided by the federal area development agency. This, we believe, is inconsistent with sound regional development strategy since Winnipeg and surrounding area account for most of the industrial employment in the province.

The province of Quebec has made representations in this regard. I should like to refer to one report not mentioned by the hon. member for Halifax which was prepared for the Atlantic provinces research board by Professor Wilson of the University of Glasgow. This report bears out many of the arguments raised by the hon. member.

There is this schizophrenic attitude within the department. It cannot make up its mind whether it is more interested in productivity or charity, or perhaps political porkbarrelling. I do not wish to be unkind and perhaps the use of such an expression is a little on the harsh side, but when one looks at the situation it frequently has that appearance.

There can really be no economic justification in a country like Canada for scattering industry helter-skelter regardless of any analysis of whether it has any basis for economic or long-range existence. I realize that we are trying to correct unemployment but I suggest this is not the way to go about it. What we are doing is saddling municipalities with short-range palliatives they will live to regret because they will have to build up their services to look after industries which cannot survive and will eventually go under.

The Department of Industry in some cases is encouraging industries to move into districts where they have no business being. On the other hand, you have areas of development and potential growth such as Halifax and Dartmouth which present opportunities for development. After all, if you take a look at industry you will find there are other things besides tax incentives which interest them. An industry that understands its problems does not move just because someone gives it a little hand-out. Very frequently that is all we have done. We have rewarded them for doing something they were probably prepared to do in any event.

[Mr. Saltsman.]

I suggest that the proper approach is one of economic feasibility and that when the department undertakes to determine which areas should be designated and which should not the criteria of unemployment and income are really not the proper criteria at all. The proper criteria should be economic potential and long-term survival.

There are some very good measures we could implement to help chronic unemployment areas rather than continue to do what we are now doing. I think it is a cruel hoax in most cases to move new industry into areas in which they do not belong and cannot survive because they have no reason for belonging there in the first place. If these industries remain in these areas they have to be subsidized. Neither of these choices is good, from the point of view of a philosophy based on productivity and making Canada strong economically.

• (1:20 p.m.)

I should like to raise another matter. I have not spoken for very long on the question of designated areas. It is apparent that the committee is in a mood to conclude its consideration of these estimates as quickly as possible and I am prepared to accept such an approach at this time. I should like to consider now the way in which industry in Canada can be helped.

The department is organized according to trades. I have spoken to the heads of various branches within the department and by and large I have been very impressed by the calibre of those in its employ. However, I find they do not have the authority to help industry to any great extent. Their powers are severely limited. It is only natural that in any government organization there will be conflicts, for example, between the Department of Industry which is seeking expansion and the Department of Finance which is trying to apply a tight money policy. Perhaps the excise branch agrees with neither. There are bound to be conflicts.

A businessman goes to the Department of Industry with the assumption that the department will do its best to help him. Frequently the head of a particular grouping in the department will tell him: I will do everything I can but my authority in certain

directions is limited; I will go as far as I can but then you will have to talk to someone else. I suggest to the minister that he seriously consider appointing industrial commissioners or industrial ombudsmen for the various departments. They would be people whose purpose it would be to help an industrialist find his way through a great and complex organization, with all the conflicting purposes which exist there.

Such a suggestion has great possibilities in my opinion. The problems encountered by an industralist might involve the excise branch or the Department of Finance. Instead of directing their caller to someone else the officials of the department could take him straight through. The complexity of government will not decrease over the years; it will become greater. This is in the nature of things and it is idle to deplore it. Correspondingly there is a growing need to help those who come to the department for assistance.

The department, seems to me, lacks information. When the minister indicated in his statement all the things his department hopes and intends to do, considerable doubt arose in my mind whether he would ever be able to accomplish even a fraction of those intentions. I say this because he does not seem to have at his disposal information on economic facts sufficient to enable him to act effectively. Research being done in this field is insufficient to produce the information upon which correct decisions can be made. I suggest that instead of congratulating himself on the small size of his staff, on keeping his staff to a small, fighting force, the minister should enlarge his staff particularly in the area of research.

Many of the difficulties connected with the area development program arose because there was insufficient understanding of its implications. When I read reports from various provinces and see how completely they have been ignored, I wonder sometimes whether it is not readers of reports who are needed rather than research staff. But whatever is required in this field should be undertaken in order to ensure that some of the worst features we have seen in the past arising out of decisions made on the basis of inadequate knowledge shall not be repeated in the future.

I hope the government will at some time bring these estimates before the appropriate committee. There does not seem to be any great pressure on the minister to do so on this occasion. I cannot recall the estimates of the department undergoing a thorough scrutiny. Often they have been brought in at the last minute. The minister has asked the committee to get them through quickly and the committee has usually been accommodating in this regard. The department has undertaken a large number of projects and for this reason I believe the time has come for its estimates to be submitted to a fuller scrutiny than is possible now. I hope they will go before a committee next time.

Mr. Faulkner: Mr. Chairman, I intend to deal briefly with one subject. I hope the relationship between it and the estimates of the Department of Industry will be seen, for I admit it is not absolutely clear.

I listened carefully to the remarks of the hon. member for Waterloo South. I was surprised to find him, a member of the New Democratic party, being so critical of the area development program and in particular of the criteria used. I fail to see how any area development program can operate if the criterion of employment levels is not a major one in any determination of which areas should benefit.

The hon. member would like to substitute another criterion, which he calls "economic feasibility", without enlightening us as to exactly what he means by that term and without mentioning specific areas where presumably there has been economic infeasibility. This seems to be a most superficial approach to a program which has done a great deal of good.

As the hon. member must be well aware, there are some areas that do not participate in this program. Peterborough is one such area and I know our industrial commissioner has never been happy about its exclusion. Nevertheless he has never been able to persuade me or even himself that the criteria are wrong. That they are capable of refinement goes without saying. But I do not feel the criticism made by the hon. member was substantial. In my opinion it would be a mistake to separate this program from the employment criterion because employment is the very goal the program was designed to reach.

• (1:30 p.m.)

As to the next allegation that there is a lack of information or administrative confusion in the department, I must simply state for the record that my experience with the department has not been the same as that of

the hon. member for Waterloo South. I have had excellent co-operation and so have the people from my area who have come here to inquire how industry can co-operate with the Department of Industry and what facilities are available. In fact, I hope within the next month to be able to set up a meeting at Peterborough for members of the Department of Industry, members of the National Research Council and the business people in Peterborough. At this meeting we will discuss exactly what the department and N.R.C. are able to provide by way of assistance and guidance to my people. I had no problem at all setting up this meeting through the Department of Industry. I have had complete co-operation.

As I have said before it may be that we as members are going to have to take the initiative. There are those who say it is the minister's job to go to Peterborough and tell the people in industry what assistance is available from the government, but it seems to me it is far more my responsibility to be doing this. Perhaps communications can be improved if we as members take some of the responsibility upon ourselves.

In his opening statement the minister discussed what the department had done. I feel that it has not only done a great deal of work but has taken a number of important initiatives, and I do not say this simply because I happen to be on the government side. I think, for instance, that the concern the department has shown for the level and quality of industrial design in this country is most important. I believe this concern is also reflected in the program worked out to assist in research and development in this country, which is most important. The Department of Industry seems to be subjected to a certain amount of criticism, but in any assessment of the department it seems to me careful consideration should be given to inroads made into areas which traditionally have been backwaters in this country.

Industrial design has never been a subject of great pride in this country, except possibly in the engineering field. We have reason for some pride in that area but in other areas we are very weak. In so far as research and development undertaken by Canadian industry are concerned, we are in a very serious position. This subject has been discussed before. Figures released by the Department of Industry show that in the major industrialized countries the following percentages of gross national product have been devoted to research and development: United States, 2.8 per cent; United Kingdom, 6.2 per cent; Sweden, 1.7 per cent; Japan, 1.3 per cent; and well down the list comes Canada with 0.86 per cent. This is a most serious problem.

[Mr. Faulkner.]

I believe it should be recognized by members on both sides of the house that the Department of Industry has in fact established programs to encourage and assist industry to get into the field of research and development to a much greater degree. I should like to commend the minister for the work he and his department have done in this field.

Having said that, I should like now to go to a particular problem which might be considered peripheral to the estimates of the Department of Industry. Since the minister is concerned with our manufacturing industry there is one problem I should like to bring to his attention. He will no doubt have to work with the Minister of Trade and Commerce in order to find a solution. However, in so far as he is directly responsible for industry I should like to draw his attention to this problem.

In my area the largest single employer is the Canadian General Electric Company which employs 5,000 to 6,000 people in the Peterborough area. It is in the heavy electrical apparatus business, along with a whole range of other lines. In the immediate past there have been two major contracts for heavy electrical equipment, namely, the Hydro Quebec 735KV transmission project and the British Columbia Peace River project. These are both major Canadian projects. The products involved in the Hydro Quebec project were transformers and circuit breakers. These were items which Canadian General Electric was involved in producing. Total business for suppliers on the Hydro Quebec project amounted to $24,500,000. Of the total business placed Canadian General Electric obtained 50 per cent, Sweden received 23 per cent, 10 per cent went to England, 8 per cent to Switzerland, 7 per cent to Belgium, and 2 per cent to France.

In so far as the Peace River project is concerned the products involved were generators, circuit breakers and transformers. Total business placed in the year 1965 was $24,380,000. Of that total the business placed in Canada amounted to 46 per cent. The business placed overseas was as follows: 15.5 per cent in Japan, 12.7 per cent in England,

10.4 per cent in France, 9 per cent in Switzerland, and 5.5 per cent in Sweden.

I am not suggesting that this division is not perfectly fair. I am not suggesting there is anything intrinsically wrong with the fact that in relation to a major project of this type Canadian business should only get 50 per cent. What I am suggesting is that this situation in Canada is not duplicated abroad. Contracts of this type in England, Sweden, France and Switzerland are not shared 50 per cent by home industry and 50 per cent abroad. I have tried as diligently as I can to get at the root of the matter. I ask the Minister of Industry to look into the situation to ascertain if Canadian industry is competing on the same terms with European industry in their bailiwick as we are allowing them to compete with us in ours.

I am not opposed to what we are doing here but I insist upon the same terms applying to Canadian industry abroad. What gives this question a real urgency is the announcement of the Nelson River project. I have a clipping here from the Hamilton *Spectator* for March 14 of this year which refers to a story in the *Daily Express*. The report in the Hamilton *Spectator* reads as follows:

> The *Daily Express* yesterday devoted a half page to how Britain can "get away with a cool hundred million quid" from Manitoba's vast Nelson River power project.
>
> That's three hundred million dollars in Canadian terms—and it's the share of the billion dollar development that Britain's industry hopes to corner for itself.
>
> In a dispatch from Winnipeg, the *Express* quotes Gordon Husted, the resident British trade commissioner, as saying: "The plan is foolproof. Given the backing of imagination and enterprise from back home, the cash is there for the taking".

I do not mind the trade commissioner using these rather extravagant terms in talking to his people at home. After all, in some measure his own livelihood probably depends upon his degree of enthusiasm and persuasiveness. I am asking the minister to see that we in Canada compete on the same terms in the British market as apparently the British are able to compete in our market.

• (1:40 p.m.)

[*Translation*]

Mr. Beaulieu: Mr. Chairman, I am pleased to pay tribute, on behalf of my constituents and the citizens of the province of Quebec, to the minister who comes from our area, that of Montreal.

I hope that he will appreciate that none of my remarks is intended for him personally.

For 20 years I studied the situation of industries not only in the provinces of Quebec, Ontario, and the prairies, but also in British Columbia and in the eastern provinces, and I have come to the conclusion that all Canadian provinces now have extremely good statistics.

I will take only one example, the province of Quebec. There was in the cabinet a minister who had been deputy minister of Trade and Industry in the province of Quebec. All investigations and research aimed at finding out whether it was possible to bring in new industries in the underdeveloped areas. We also helped promote the development of new industries in our province.

I was listening a moment ago to the minister saying that there was a scholarship program. I think that the period of scholarships within his department, considering the budget at his dispoasl, is a thing of the past.

To staff the Department of Industry, some of the most brilliant officials of the Department of Trade and Commerce were brought in. I think that there is now in that department technocrats and research workers rather well prepared for the work to be done.

All Canadian provinces are now in a position to provide our federal Department of Industry with the information it needs. In the province of Quebec, they tried to subdivide the province into areas, to direct industries toward underdeveloped places, but this failed to bring about any significant results for the good reason that industry goes wherever it feels is best suitable. People having money to invest would not invest it where it would not be profitable for them.

The province of Quebec, has more than 12,000 industries now and the province of Ontario has about 14,000; this means that 80 per cent of all our country's industries are located in the two large eastern provinces, Ontario and Quebec.

Quite recently, my area was chosen as a designated area. It is unbelievable to see a city like St. Johns, where there are hundreds of industries, chosen as a designated area. It is a prosperous city, so much so that, over the last 15 years, the population has increased from 10,000 to 35,000.

What happened? That is when the Department of Industry must give special attention to the choice of designated areas. Suddenly three or four industries closed their doors for uncontrollable reasons. The owners of one industry were told: You will not get

any more contracts unless you move to Montreal. They closed their doors; the industry stayed there. The other industry closed down because exports to the United States stopped. It was not a period of depression. What happened? A powerful industry benefited from the federal legislation when it had the means to cover its costs.

I am happy about what happened, I am happy that the situation has stabilized itself, but I find it extremely dangerous to put at the disposal of large and powerful industries services, grants and income tax exemptions which the government could give to others which need them more.

Here is what happens in the end. A large industry which is not very profitable is closed and another one is opened; nothing is changed, it hurts somewhere else. But all that is paid out of the Canadian taxpayer's money.

I think it is important to study closely each particular case. I think that there are other designated areas, but then it is necessary to get the services of experts, technocrats, men with experience, not only men who do research—not necessarily scientists or economists—but men who know what an industry is, how to create it and settle it somewhere in short men who can make investigations and reports.

New industries are requested. Everyone is for the creation of new industries, but it is necessary to know the market and where these new industries will settle and, then, if there is a domestic or export market for them.

But some industries have been operating in the province of Quebec, in Ontario, in western Canada, everywhere, for the last 50 years, and they are not being helped. It might be wise for the minister to confer with the Minister of Trade and Commerce (Mr Winters) and the Minister of Finance (Mr. Sharp) with a view to determining whether the time has come to help existing industries to expand. It is all very well to create new industries. I know of certain industries in the province of Quebec to which help should be given, not through cash subsidies but through tax exemptions for certain jobs, or on the purchase of new equipment to keep pace with progress. They might also be granted tax exemptions so that those who hire labour might have the required cash to do the necessary work, instead of always having to resort to bonds issues, all the more so in view of the fact that the market is now at a standstill, not only in Canada but also in the United States.

• (1:50 p.m.)

It is extremely difficult, even for a city like Montreal that needs money to fulfil its obligations with regard to the world fair, to borrow on the American market.

I believe that the Department of Industry would be well advised to call together the representatives of the manufacturers association so as to know their opinion. And it is then, Mr. Chairman, that I deplore the expenses this government has made for some time now regarding the subdivision of departments.

I am delighted with the establishment of the Department of Industry, but its budget is a mere trifle, because there is really something to be done there. On the other hand, there is no proportion between the administrative costs and the budget administered. It costs $5 million to administer a $20 million budget. That is nonsensical. The fact is that the civil servants, if they are qualified of course, do not have enough work, enough responsibilities and the budget is inadequate.

The Department of Trade and Commerce was divided. How can we make sense out of this today in the province of Quebec? I came to Ottawa with industrialists. We went to the Department of Industry, from there we were referred to the Department of Trade and Commerce. We went to the Department of Trade and Commerce and there we were sent back to the Department of Industry, where we were told that our application came under the Department of Labour. At the Department of Labour, we were told that it came under another department.

The same holds true when it comes to an application concerning a post office. When I submit an application to this effect to the Post Office Department, I am told: All right, you are granted the post office. Two days later, the Post Office Department gets in touch with you to advise that you have the post office, but you do not have the land; when you have the land, you will get the post office. Then, they suggest to see another department, where we are told: All right, we will buy the land but before we do that you must get your post office; get the post office first, and then we will buy the land.

Thus we go from one department to the other. I visited at least 10 departments and I suggest that the present subdivisions and the fact that there are two or three officials at the

head of a department, as an hon. member pointed out a while ago, makes it impossible to get any decision.

The system is different in our provinces. For instance, in the province of Quebec, where they say there was a lack of organization, there is at least a chief in each department, there is a minister who can take a decision, who can say yes. But here, when you ask a department for something, the answer you get is: This does not come within my purview, but under that of the Department of Labour. Another tells you that it comes under manpower or yet another one, under the Post Office Department. And the latter advises that it comes under the Department of Public Works.

I went to see the Minister of Transport in connection with the St. John airport. There I was told: We will fix that for you, but first you need the approval of the Department of Public Works, otherwise I cannot comply with your request. I asked him: But, nevertheless are you going to repair the runways? He answered: It is not for us to do that, but for the Department of Public Works.

We went to three departments. We went around with aldermen, who found all that really ridiculous. Indeed, the situation created by the present government is ridiculous. We want answers. We want to know about those things.

Arriving at the Department of Industry to discuss an industrial matter, we are told: What industry do you want? After explaining our objective, they say: This comes under the Department of Trade and Commerce. And at the Department of Trade and Commerce, they talk about grants.

That is all everybody says: members have toured departments and we are never able to get a sensible answer. They make us fall from Scylla into Charybdis.

Mr. Choquette: Just like the Union Nationale government.

Mr. Beaulieu: If we had such a government, conditions would improve in Canada. At the present time, I think that the Department of Industry, if given the importance it deserves and the funds it needs, if it is allowed to take decisions, it is as important, I say, as the Department of Labour or the department of manpower.

Workers are now to be relocated. This will create a problem. But if some assistance is granted to industry, it will provide employment. The state can only give temporary employment as for road construction, bridge construction, and this cannot solve permanent conditions.

Industry is the basis and essential factor for the development of our country, for the creation of an environment where our people will be in a position to earn a living adequately.

I find the estimates are too high compared to the expenditures foreseen, because $20 million are provided for and this amount, as shown in the estimates, is made up entirely of grants. Nobody has to work to obtain a grant. Various amounts are shown but on what basis are those people paid for research?

Such is the situation, Mr. Chairman. I think the government should review the organization of these departments, entrust the ministers with responsibilities and draw up proper budgets.

I sincerely believe that not only in the province of Quebec, but in every Canadian province from coast to coast, it would be possible by taking the trouble to maintain industries already established, to extend, modernize and develop them and even set up new industries. But it is not enough to say, as was announced yesterday on television: a new $50 million project in the province of Quebec, close to Ottawa. A few minutes later, somebody asked how many jobs would be provided. Seventy five more workers will get a job. A $50 million grant will be obtained, mind you, to create 75 jobs. Do you find this reasonable?

I am in favour of technocrats, economists and scientists, but departments need more than that. They actually need young men who know what constitutes an industry. We were told that a new industry would be established in Bécancour at a cost of $300 to $700 million. We are now being told that the project is not believed to be workable. Such things give rise to a painful situation. The Minister of Labour is here today—and I am happy to congratulate him on his efforts—but he will realize that a problem has been created for him.

Because of the promises made to them, the farmers sold their farms or gave options on them. They no longer have the right to farm. For the last two years, they have been getting no income from their farms. As a matter of fact, they are running through their capital. They were promised a job and they are told now that no new industries will be established before five or six years to provide

them with jobs. They will be destitute, completely ruined and will become unemployed. Such is the present situation, and that is why I say the Minister of Industry has responsibilities.

Such a statement must not be made. We must not create such a situation.

In Montreal, soon, Expo '67 will take place. I tried to convince the minister yesterday that it was not necessary to carry out extensive work in St. Johns. We already have an airport there. All we need is to take immediate steps to modernize it. The municipality of St. Johns is ready to put up half a million dollars for the buildings. It would only cost the federal government $200,000 or $300,000 to expropriate the required properties. Do you know what he answered? My estimates do not provide for such work this year; we shall consider it next year. Well next year Expo '67 will be over and there will be no need for it. Action is needed right away. They just refuse to understand.

But for the province of Quebec, for my area, what matters most at this point, I am sure, is not so much giving money to industries as telling them: Here are the facilities, the reserves, income tax exemptions for two or three years, provided you increase your staff.

When a company tells the Department of Industry: Tomorrow morning, we are hiring 50 new employees; and another says: Tomorrow, we will take on 100 new employees. Then the government would be justified, with the co-operation of the Department of National Revenue and the Department of Industry in telling them: very well, we will give you a 10, 15 or 20 per cent exemption, according to the importance of the industry and the importance it is going to have.

It was not my intention to criticize the minister; compared to the other departments in Ottawa, his is a new one. But it is an important, a most important one. Let it have responsibilities and a budget; let the minister have enough power, I consider him competent in the industrial area and let him have employees, technicians and I suggest that the minister enlist businessmen in addition to economists and researchers.

Then, a plan could be drawn up to be applied, not in 20 years but this year, and next year, for such a program, I hope we can see something more in the budget than what there is now. It would not be a department concerned only with handing out grants, but a department that will be creating jobs, careers, and which will bring relief to industry. Taxes now paralysing the development of existing industries are preventing new industries from getting started here and are a nuisance to small industries to the point where many will fail, because they will have to pay 1.8 per cent or half the contribution under the Canada pension plan.

There are small industries which are barely operating, so much so that the boss hardly earns a living wage. You realize there that you have been creating an impossible situation. Obviously nothing can be done about laws of a general nature and applicable to every one, but we should see to it that such industries do not fold up.

For ten years, while I was minister in Quebec, I was criticized, but we applied a policy of "visits and subsidies" to small industry with less than 100 employees. And do you know that in ten years there has not been a single bankruptcy among the industries we have helped. Some of them have developed since; others have expanded considerably, and one of the industries with which I was associated for 15 years was recently sold for $3,200,000, only because the owner died. Sixteen years ago this man could not borrow $25,000 from the bank. Why was he so successful? Because he was helped, because the department helped him.

I ask the minister this. His department needs not only technicians and research workers, but auditors and engineers who should give industry across Canada the information it requests free of charge. This would be a most essential service. These people would be paid by the Ottawa government and their services would be available to whoever needs them.

There are research centres in large industries which can afford to hire engineers. When a company pays $5 million for research, it does not need help. On the other hand, small business concerns which today operate on a marginal basis need an engineer or a chartered accountant to do research. These concerns should be helped.

Why should the government not make available to these people, at its own expense, qualified men who would submit a report. This would not be unreasonably expensive. In two months a good engineer can tell you if a small industry is economically sound, if it should be maintained or closed.

Auditors will look into a business concern, study production costs and tell the people:

Gentlemen, you are selling below cost, you cannot succeed. Your concern is not competitive. I believe this is a practical policy and that the minister, who is a business man, realizes that if he could set up such a system he would do the provinces and the whole country a great service, including his colleagues heading such departments as labour, trade and commerce, finance and revenue.

We can have a prosperous Canada. We can have prosperous provinces, on one condition: that we organize ourselves scientifically, seriously, and that we put competent people in all the departments and divisions.

• (2:00 p.m.)

[*English*]

Mr. Herridge: Mr. Chairman, I want to make a few brief remarks on the minister's estimates as an unrepentant old socialist trying to look at these questions from a fundamental and traditional socialist point of view. I see the Minister of Citizenship and Immigration looking at me over the top of his glasses. I hope we will assist him in the programs he has undertaken to date by what we say this afternoon and will say later.

I suppose it is correct to say that the Department of Industry is the department of wait and see. That is the general attitude of most hon. members. The department has to prove itself, but I am sure all members of this group wish the minister and his officials every success in all they undertake to try to fill the gaps that have been left in employment, development, markets and research as a result of the monopoly control of our economy by a few large industrial giants.

The minister knows that we in this party are traditionally opposed to monopoly and combine. We have had that plank in our program since our movement was first formed in 1932. We have maintained that position and intend to maintain it. There are two major groups that actually control the Canadian economy. One is the small but powerful Canadian economic elite described by various persons as all those who are involved in Canadian owned corporations which have interlocking directorships. The other is a group of United States firms and foreign businesses which have a tremendous influence on social and economic conditions in Canada.

I am not blaming individuals. These persons have their functions to perform in the society in which we live and they have their duties as directors and officers of corporations. As I say, I am not blaming individuals. I am just bringing to the minister's attention some of the highlights of our program in case he might want to fall back on them in the months ahead.

I wish to quote from "Notes For Speakers 1965" provided to the New Democratic Party, and I hope the minister will read the booklet later. There is a section headed "How Do The Giant Firms Keep Their Supremacy" which reads:

> Someone may well wonder how the dominant corporations in each industry manage to stay on top. In view of the fact that they earn large profits, why doesn't this attract so many new firms into the industry that the share of the dominant firms is sharply reduced?

That is a good question.

> There are a number of ways in which the giants can bar or discourage new firms from entering the industry.
>
> 1. In some industries enormous amounts of capital are required to establish a new plant and only the existing dominant firms have this kind of capital.
>
> 2. Some industries require a particular natural resource or type of skill and the available supply of these may be completely controlled by the existing firms. Sometimes this takes the form of "vertical integration" where the large firm controls everything from the raw material supplies to the marketing of the end products.
>
> 3. Often the existing firm secures a patent on a particular process or product which bars new firms from using this process or producing this product.

I am sure the minister and his officials have had some experience in that regard in looking at Canadian industry as it is today.

> 4. The large existing firms have well established sources of credit to supply them with funds for expansion. Credit is not so readily available to the small firm. The large firms can also float huge issues of stocks and bonds; this is very difficult indeed for a new firm just beginning operations.

I understand the minister's department intends to promote the issuance of credit to sound industries being promoted on a large and small scale.

> 5. The most successful advertising is that which is carried out on a national scale—on television and radio, in national magazines, etc. The large existing firms can afford this; newcomers generally cannot.

I am quite sure the great majority of small industries and businesses could not undertake this sort of advertising on any scale.

> 6. The dominant firms have surplus funds with which to carry out costly research into new methods and products.
>
> 7. The large corporation can engage the newcomer in a price war. The giant has reserves which will sustain him until the war is over;—

I have seen that happen in the retail business in my own district.

—the newcomer generally does not have such reserves and is driven out of the market. Then the giant restores the price to its former level.

These are only a few of the methods by which the existing dominant corporations maintain their hold on an industry.

How do many of these people acquire their capital? The minister has talked about incentives to promote industry in certain areas. We have provided massive incentives for these monopolies whether they are Canadian owned or United States owned.

• (2:10 p.m.)

I have an article I cut from the Ottawa *Journal* of May 18. I will read briefly from it because the figures are handy, Possibly I could have located the figures had I searched my files. This is a report of a speech made in the legislature of Ontario by Mr. Kenneth Bryden. He had this to say:

—the plain fact is that "only a very small and declining amount of U.S. investment funds," is associated with U.S. corporate control in Canada.

The went on to illustrate his statement that Americans are buying us out with our own money. He said:

—in 1964 about $764,000,000, or 40 per cent of the total net U.S. financing in Canada, came from the depreciation and depletion reserves of Canadian subsidiaries of U.S. corporations.

The report continues:

He said an additional $644,000,000 came from undistributed profits of these subsidiaries and the remaining $423,000,000 came from stocks and bonds sold outside the U.S.

He said U.S. corporations "are re-investing funds generated in Canada which they have captured in depreciation allowances and undistributed funds."

As a solution to U.S. control Mr. Bryden suggested reform of provincial and federal corporation tax structures to tighten up provisions regarding depreciation and depletion allowances.

This really is a massive form of tax incentive which has provided a great deal of the capital throughout the years for United States controlled subsidiaries in Canada. I wish to draw this to the particular attention of the minister because it seems to me there should be some consideration of the larger investment in Canada of capital obtained in this way.

Before concluding I should like to offer to the minister a few suggestions from our New Democratic Party program. This is the present program; you can rely on it. If the minister would like to have one of these booklets I would be glad to send on over to him later. What would happen, Mr. Chairman, if we should over the months ahead get a convert? We will do our best to see that he has the information.

Mr. Knowles: Maybe his applause means that he is being converted.

Mr. Herridge: I think we have a convert to our objectives but he is running on a different political railroad at this time.

New Democratic investment policy seeks to break monopoly control over Canadian industry and resources.

Modern corporate expansion is financed mainly out of huge corporation reserves.

And in the other ways I have mentioned. This briefly is our program to meet the situation:

The New Democratic government's taxation policy will be a basic part of its planning. It will divert funds from private to public investment, redistribute the national income on a fairer basis and help to regulate the pace of economic activity.

A large part of the accumulated investment funds of private companies must flow into the public treasury, there to be used to realize public economic objectives. This will be accomplished through:

(a) an increase in the corporation tax rate, especially on undistributed profits;

(b) reduction in excessive depreciation and depletion allowances;

(c) limitations on the deductions now allowed for advertising and sales promotion;

(d) a tax on capital gains;

Canada is one of the few countries in the western world which does not have a capital gains tax.

(e) increased succession duties.

The present tax structure will be reformed by such steps as:

(a) reduction in the tax burden on lower income groups;

(b) abolition of the special privileges which now go to the recipients of corporation dividends;

(c) stricter control of expense accounts and similar allowances, to eliminate tax-dodging;

(d) removal of the federal sales tax and special excise tax from the necessities of life.

In addition, I support every effort put forward by the minister and his officials in respect of research in this country. I trust it will be co-ordinated research as a result of co-operation with other governments, universities, and private industry to find things which will be of benefit with regard to processing our natural resources and our marketing opportunities at home and abroad.

I should like to support also those who have spoken about regional planning and who have suggested that it should not be localized

or parochial planning. I think it is more effective to lay out the country in regions rather than just in smaller areas where such a program would benefit that area and ignore its relationship to the surrounding region. I am sure that if this program is to be successful there will have to be the closest co-operation between the provincial governments and the agencies interested in this type of work with industry, small industry, small business, and with labour and other groups.

I think there must be an effort to ensure that the public generally understands the purposes and objectives of the department. We should seek in every possible way to secure their co-operation. I am not suggesting for a moment that the things I have mentioned will cure the ills of the capitalist system but they may make life more endurable during the time we have to live on this planet.

Mr. Forrestall: Mr. Chairman, if I may have the indulgence of the committee and the minister for a few moments I should like to pick up where my colleague the hon. member for Halifax left off on the question of the area incentive program. The minister has heard the blessings which have been expressed in respect of this piece of legislation. As the hon. member for Halifax has mentioned, the minister received communications in the form of letters, briefs, and so on from the mayors of the four distinct areas of Halifax, Dartmouth, Saint John, Fredericton and the municipalities or areas immediately surrounding these cities. Latterly he has heard collectively from the Atlantic Provinces Economic Council which represents, as has been suggested, a non-political group. This should carry added weight in reassuring the government of the necessity of moving in some concerted manner to overcome the regional disparities which exist in the Atlantic provinces.

• (2:20 p.m.)

It has been suggested that unemployment figures are the criterion for the area incentive program in the regions in which it is applicable. It is not necessary for me to recite the employment and unemployment figures in British Columbia, the prairie region, Ontario, Quebec and in our region, the maritimes. I think hon. members are very familiar with them. Therefore, suffice it that I draw to your attention one or two facts. On March 19 this year, according to the Dominion Bureau of Statistics, employment stood at 6.821 million and unemployment at 341,000, which means that somewhere in the order of 5 per cent of our national labour force was out of work on that date. In the maritime provinces on March 19 there were 537,000 people at work. On the same date there were 63,000 people out of work. The relationship between these figures is very obvious. In our area 63,000 people out of work represent approximately 12 per cent of our total labour force whereas the national average was only in the order of 5 per cent. I will not draw the more startling comparisons that are obvious in respect of the Ontario, prairie and British Columbia regions.

The necessity of dealing with the problems of industrial development and productivity in the Atlantic region has been brought so forcibly to the attention of the government, civic leaders, economists and everybody concerned that there is very little I can do except reiterate what appears to be a mounting volume of evidence to support two or three very basic propositions. The first of these is the need to approach the problems of the Atlantic region in the spirit that has been voiced so often by the government, the spirit of equal opportunity and equal sharing in our national prosperity. This is not easy to achieve, as pointed out by the Economic Council of Canada and by APEC. Any economist who has studied the relationship of the Maritimes to the rest of Canada has come to the same conclusion in one way or another, and that conclusion is simply that the problems cannot be approached piecemeal but rather must be attacked by one concerted effort.

The minister is very much aware of this but in spite of the pleas and urgings to pursue this course the government has not yet seen fit to do so. We do have the Atlantic provinces development board and the area incentive program, but I suggest to the minister that if he cannot modify, extend or enlarge the regulations under these programs at once to embrace the four areas mentioned, Saint John, Dartmouth, Halifax and Fredericton, which are the growth centres of the Atlantic region and are now outside any special incentive program, the help needed will not be forthcoming.

Because these are the growth centres and the centres to which people from rural areas will be attracted, a great percentage of whom are unemployed, the government must give serious consideration to them. It has been suggested that it is of no avail to locate an industry in a region, district or area where

there are not the labour, goods, materials, processes and markets to support it. It has been suggested that experience may well prove that many of these companies located in so-called designated areas are going to remain burdens on the economy for a long time to come simply because they have been misplaced, whereas if they had been placed in growth centres as they have wanted to be traditionally this would have created stability in the over-all area rather than instability. Urban people will not go to rural areas to work but rural people will come into urban areas.

To illustrate further the effect of what is happening in the Atlantic area I should like to point out to hon. members that in 1960, for example, per capita production in the Atlantic provinces stood at $218. The national average in Canada at the same time was very nearly $600—$589 to be exact. That is more than double and it indicates there is something seriously wrong. It also indicates that with government help through a concerted program on the part of the minister we will arrive at a situation where we can bring in new industry, promote stability and broaden the economic base. This will bring about diversification and will create incentives for other industries to expand.

If we are to survive as members of the whole, and I speak of members of Canada as a nation, the Atlantic provinces area must find 20,000 new jobs each year for the next few years. At the end of five years this figure will be closer to 30,000 and, indeed, I hope it will be closer to 40,000. But without some concerted form of over-all approach to the problems of the Atlantic region we are not even going to be able to provide the 20,000 new jobs that will have to be created there. I do not think the necessary approach is an area incentive program but rather a broader based area approach must be taken to solve this problem.

The figure of 20,000 jobs means that we will simply maintain our present growth rate. There are any number of standards by which to measure this. While we are going ahead we are not keeping pace with the gross national product For example, in 1947 Nova Scotia—I single our Nova Scotia because this area is perhaps illustrative of Atlantic region problems—enjoyed, to our dismay, per capita incomes that only reached about 81 per cent of the national average. That was less than 20 years ago. While incomes in 1964 had risen in terms of total dollars, it is significant to note that in comparison with 81 per cent of the national average figure in 1947 we enjoyed only 74.8 per cent. This is indicative of what is happening in the Atlantic region. The failure on the part of the government to approach the problems of the Atlantic region on a broad basis has created this situation. It has been created in spite of our own efforts to keep up by helping to create that atmosphere in which our economic growth could at least keep pace with the national growth.

• (2:30 p.m.)

I have some other figures that are illustrative of what is happening. In 1961 we had 3.65 million families in Canada. Of these families 77 per cent enjoyed, and undoubtedly do now to an even greater degree, annual incomes in excess of $3,000 per year. Taking the figures for the Atlantic provinces, of 86,000 families in Newfoundland 49 per cent, have incomes in excess of $3,000. The national average is 77 per cent. In Prince Edward Island, our smallest province, 55 per cent of the 14,000 families receive $3,000 or more. In the province of Nova Scotia where we have 147,000 families and, thank God, an excellent premier, the figure is 63 per cent. This is still 14 per cent below the national average. In New Brunswick where there are 111,000 families only 61 per cent earn $3,000 or more. Every other province in Canada has at least 68 per cent or more of its families in the $3,000 plus bracket. If one removes the figures for the Atlantic provinces from the national average one finds that 82 per cent of the families of Canada enjoy annual incomes in excess of $3,000.

The same pattern emerges when one considers per capita income. In Ontario the figure is $2,025. In Newfoundland it is $1,009. Listing the provinces in the order in which they stand in the income per capita field we find Ontario leading the way—there is no doubt about that—with British Columbia second, Alberta third, Saskatchewan next—

Mr. Cantelon: Good old Saskatchewan.

Mr. Forrestall: "Good old Saskatchewan"—I would remind the hon. member that had it not been for the Atlantic provinces there would be no Saskatchewan.

Mr. Cantelon: We are out of the have-not area.

Mr. Forrestall: You are. We are still in it. In Saskatchewan the income per capita amounts to $1,749. In my own province of

Nova Scotia it is $1,302; in New Brunswick it is $1,167 and in Prince Edward Island, $1,115.

Reciting these figures takes the time of the committee but I simply wish to substantiate the point I am making, that in the absence of an over-all approach to the problems of the Atlantic region we shall never achieve any degree of national parity, any reasonable share in the wealth of this nation.

The vehicles which the federal government can use in its approach to the problems of the Atlantic area are already in existence. There is no need to set up another crown corporation or establish a ministry for the Atlantic region. Industrialization can take place through existing arrangements. I ask the minister whether he is completely confident that nothing can be done to change the area incentive regulations so as to include the principle of growth centres such as Halifax, Dartmouth, Saint John and Fredericton. If this is impossible in terms of other criteria which have been set up I would ask the minister to urge his colleagues to give consideration to the broadening of the base upon which the Atlantic Development Board operates. I urge him to ask his colleagues to consider broadening the scope of its regulations so as to permit the board to make direct capital grants to industry as well as to make settling-in grants for a period up to three years. I suggest that the Atlantic Development Board remains the one real hope among the existing vehicles. There are others which could be overlooked despite their importance. I shall not on this occasion discuss the fields of research and technical development.

What we in the Atlantic provinces need is the industry so that we could do some research for ourselves. We have to get the industry first. While a good job is being done within the present framework of the Atlantic Development Board, this is not enough. There has to be an over-all effort aimed at every area of endeavour, not just those areas which endeavour to supply the service element, by which I mean the development of industrial parks, water and sewage services and so on. These are very necessary and I would be the last to suggest that what the development board has done has not been excellently done and of great value. But it does not go far enough.

Unless we take a fresh look at this situation we are bound to see a repetition of what has been happening in Halifax during the last 12 to 14 months. There is a real possibility of losing a $60 million fisheries based industry. We have already lost a chemical industry based on oil refining. We nearly lost Volvo, Canada, which was brought to this country after great effort involving co-operation between the provincial and the federal governments. It was only by a special effort on the part of the provincial authority that we managed to keep it in Nova Scotia at all.

Many other opportunities have been lost or nearly lost to this area because we are outside the range of special tax incentives. Again I would ask the minister to take a hard look at the whole basis of the regulations governing the Atlantic Development Board should he consider it impossible to revise the criteria applying to the designated areas.

Mr. Olson: Mr. Chairman, I wish to say a few words only on the first item of these estimates. At the outset I should like to tell the Minister of Industry that I realize there has been a certain amount of criticism, some of it valid and some of it possibly not so valid, directed toward the activities of this new department. There have no doubt been problems in recruiting a suitable staff and settling in. This may have prevented the department from taking all the action it might have taken to promote the development of industry in Canada. I also want the minister to know that we in this party give him full support for whatever programs and undertakings his department can initiate to promote and enhance our industrial establishments in Canada.

• (2:40 p.m.)

Having said that, Mr. Chairman, I think we should direct the attention of the minister to some of the provisions of the designated area program, and perhaps for different reasons than those which have been advanced in the house so far today. I say this because I feel we need to be concerned about the long-range effect of the establishment of industries in these designated areas. I believe that in the course of time it will be shown that some misplaced industries have been set up in these areas because of the incentives available for establishment there. There will be problems, I suggest, for those industries if they are to continue to be competitive with other industries producing the same class of goods and which may be more efficient because of their proximity to raw materials and markets.

I suggest to you, Mr. Chairman, that it is a great burden for any municipality to have an

industry which cannot meet the kind of competition it will face in the ordinary course of business after the benefits of the original incentives have lapsed. I suggest we also have a responsibility in the federal administration to see that those economic areas which are strong today remain so. In this way they will be able to assist some of the so-called depressed areas over this period. The only plea I make is that we do not go too far with the designated area program so that we weaken some of the stronger areas and then find ourselves with a lot of misplaced industries. This certainly would undermine our whole economic establishment, particularly when we must be competitive in the international field.

While talking about designated areas, Mr. Chairman, may I say there are some factors involved in the formula establishing designated areas which should be examined. I am not suggesting now that anyone ought to have anticipated all the problems that may arise from time to time. However, it does seem to me that the various factors involved in whether or not an area is going to be designated should be under continuous review. One thing that has shown up is that the level of unemployment in an area seems to be far too heavily weighted at the present time. I say that because in certain communities in southern Alberta, for example, there has been an exodus of unemployed from these areas to places where there are employment opportunities; yet the growth and income level factors meet the requirements for a designated area within the program. I suggest that this is going to encourage, as some members have said, a further concentration of industry in the larger urban areas. Personally I believe that this is not desirable over the long range.

I should like now to deal with another matter affecting southern Alberta. In Medicine Hat constituency an industry was established not very long ago for the processing of potatoes. It ran into some problems in connection with a processing patent. I would have thought this would be a problem in which the Department of Industry would be keenly interested and actively involved in trying to solve it. Without attempting to be unduly critical, I do not believe that the representations made by the industry and the provincial government received the kind of response they should have received from the Department of Industry.

[Mr. Olson.]

There was, for example, some patent litigation over the processing method that had been developed by a branch of the federal government. It seemed to me that these people were left to their own resources to fight these legal problems. On balance, I think if justice were to be done the federal government, particularly the Department of Industry, should have assumed some responsibility with regard to the litigation.

I say that, Mr. Chairman, because this was a good industry. The equipment appeared to be modern and of excellent design. It was located in an area where the potential for the raw material, potatoes, was great. It seemed to me that everything was there. The location was ideal and the industry would have been beneficial not only to the farmers in the area but to the investors in the industry and to Canada. However, it collapsed. It is still not running because while the legal battle is over the delay and the clouded issue hanging over the whole project for so many months have made it difficult to resume operations.

I do not want to be unduly critical of the minister and his department because the department was in the formative stages at the time. However, it seems to me that the federal government should go to the aid of an industry in such a situation because certainly the people who tried to get it going and invested their money could not be blamed for it. I hope arrangements have now been made so that the plant can get into production. I do not know whether that is the case but certainly there has been no activity around the plant yet.

I have referred to this plant as an example of something with which I feel the Department of Industry could have been concerned. I hope that in the future they will be more actively interested in problems of this kind.

As I said, Mr. Chairman, I intend to be brief but it seems to me that because of a lack of action on the part of several departments, not only the Department of Industry, it has become necessary for provincial governments to make direct contact with certain foreign countries to try to promote industrial growth. I am not suggesting that this is wrong, but I suggest that the reason provincial government representatives have had to take this step is that not enough initiative is being taken by the federal government.

• (2:50 p.m.)

For example, British Columbia only a short time ago sent a trade mission to Japan not only for the purpose of promoting trade but

also for the purpose of promoting additional industrial establishment in British Columbia. The premier of Alberta is in Japan at the present time and I presume, although I do not know for sure, that discussions will be held there with a view to expanding certain primary industries in Alberta which will be beneficial both to that province and to Japan. Newfoundland has had direct discussions with industrialists in the United Kingdom and Europe.

In matters such as this it should be the prime responsibility of the federal government to carry on negotiations and discussions with foreign countries. Therefore I hope that in the future the Department of Industry will become more active in assisting industries already established in Canada such as the one I have mentioned, and will also do some of the work which the provinces seem to have taken on and which I believe is perhaps a little out of their field, particularly when they are having discussions and conducting negotiations with representatives of foreign countries.

[*Translation*]

Mr. Choquette: Mr. Chairman—

[*English*]

Mr. Skoreyko: Filibuster.

Mr. Choquette: The hon. member has forgotten the historical debate on the flag; he has lost his memory.

[*Translation*]

Mr. Chairman, following the example of several colleagues, including the member for Saint-Jean-Iberville-Napierville (Mr. Beaulieu), I should like to congratulate the minister on the tremendous work he has done and the unusual vitality he displays in carrying out his objectives. Our friends opposite for whom I have much respect, will appreciate that it is this government who assumes the responsibility of administering the country, that it is the present government who took the initiative of creating this Department of Industry, and I think the absence of such a department was an unfortunate gap which we filled in. Having as head of this department a man of peerless ability, I am convinced that we will easily accomplish great things for Canada as a whole.

And it is an important thing, Mr. Chairman, to work eagerly for the industrial development of our country. It is a fundamental thing that the federal government assume its responsibilities in that field because I am convinced that despite ideological trends spreading in the province of Quebec, the more efforts the federal government will put forth to promote and increase the growth of our economy, multiply jobs, help those who cannot afford to provide for their essential needs, the more we will be able to counterbalance the ideological trends which at one time, may have threatened our Confederation.

Mr. Chairman, in connection with the very interesting remarks made a while ago by the member for Saint-Jean-Iberville-Napierville, I would like to point out in passing the overlapping of "jurisdiction" which, according to him, constitutes an obstacle to efficient administrative decisions.

The member for Saint-Jean-Iberville-Napierville pointed out especially that to get a post office, it was necessary first of all to have the approval of the Post Office Department, which is quite normal, but that the approval of the Post Office Department did not settle the problem, because it was necessary afterwards to ask the Department of Public Works to find a suitable site and purchase the necessary plot of land.

Well, I am somewhat surprised at the amazement shown by the member for Saint-Jean-Iberville-Napierville in that connection, because I think it is quite normal that all authorities should co-operate in reaching such a decision.

He may be right when he points out that sometimes the co-operation is not always keen; this may be corrected, but I do not think that one should be surprised at this overlapping of "jurisdiction", which, in my opinion, is quite normal.

Obviously, my good friend from Saint-Jean-Iberville-Napierville yearns after the Union nationale administration where there was only one "boss" who decided everything. Then, everything worked well when the "boss" said yes or no. The ministers had no "jurisdiction". I understand that he misses this administration but we, who are imbued with democratic spirit, cannot allow such a system.

In the course of his very interesting remarks the hon. member for St. Jean-Iberville-Napierville made earlier, he pointed out some obstacles which crop up when it comes to locating major industries such as, for instance, "la sidérurgie de Bécancour", the steel complex.

I do not think that it is fair to inveigh against the authorities if they cannot put the project into operation overnight.

Heavy industry, such as the steel industry, requires long range planning, and not only studies with a promise to extend their operations, but also continued negotiations which of necessity require a great deal of time.

I share the optimism shown by the premier of Quebec. I am convinced, as he is, that this steel complex will be established in Bécancour, but we must be patient. All the economic effects have to be provided for. They will be tremendous. Thousands of jobs will be created in the area which itself will be transformed to a tremendous and wonderful degree.

It must then be recognized that the policy whereby heavy industries are set up in rural areas jibes perfectly with the electoral commitments of the federal Liberals namely that industries needed to be decentralized and rural areas industrialized. Here is the fundamental problem in rural areas: the young people shy away more and more from the land, from the beautiful occupation of farming; they seek employment in industries.

The young people want to work and to do so they must go into exile. Under the circumstances, if we make an effort, constant and persistent, to industrialize those rural areas, not only will we fight poverty, but we will keep the young people born to rural families where they belong.

That goal is very dear to the party in office. We can then but rejoice to see the efforts which are being made in the province of Quebec toward industrial decentralization.

What is more, how could we not rejoice when the Minister of Mines and Technical Surveys—he was here a few moments ago—jointly with the premier of the province of Quebec, Mr. Lesage, have announced the construction of a thermonuclear plant at Bécancour? How then can the people of that region be sceptical about the setting up of a steel complex?

It is obvious that ties link, on the one hand, the steel complex, and on the other, the thermonuclear plant which Atomic Energy of Canada approved with Bécancour was chosen by the provincial authorities of Quebec.

Mr. Chairman, we cannot but commend all those projects and believe in the importance of those projects which will become a huge source of prosperity for the Bécancour area

which is located near the fine constituency which I have the honour to represent and of which I am proud. I wish to take this opportunity to greet the people of Lotbinière who are here in the gallery.

And now, Mr. Chairman, if we want to industrialize rural areas, especially if Bécancour—

• (3:00 p.m.)

[*English*]

Mr. Churchill: Why don't you speak to the house instead of to the gallery?

Mr. Choquette: Mr. Chairman, when I speak I speak for the people of Canada. My hon. friend should do the same. I speak for the people of my riding. If my hon. friend were to do the same, he would not speak in opposition all the time.

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

Mr. Choquette: With great pleasure.

Mr. Churchill: In his opening remarks there is this sentence, produced through the translation system: "This government has created this minister".

I was not aware that the Liberal government had taken unto itself divine power. Alternatively, if the hon. member is an atheist, does he not still believe in the stork?

[*Translation*]

Mr. Choquette: Mr. Chairman, I believe the translation was inaccurate. I said that the present government had created the Department of Industry, because the only people who can create a minister are the Conservatives, since creation consists of making something out of nothing.

Mr. Chairman, I want to go on briefly with my few remarks and urge the present government as strongly as I can to take advantage of the jurisdiction it is now exercising and to take all possible means to really fight poverty in an efficient and concrete way.

I had the opportunity to spend a few days in the United States and I listened to Mr. Schriver giving a lecture on the war on poverty.

It was at that meeting that a dispute—I shall not say a scuffle—occurred between the audience and Mr. Schriver. Indeed, the latter was told: "Stop using big words like sociology, psychology and all sorts of long words that do not solve any problems. What we

want is concrete action". I see the hon. member for Villeneuve (Mr. Caouette) agrees with me wholeheartedly.

We want concrete action and the best way to achieve that is through the establishment of industries where there are none, particularly in underdeveloped and rural areas, to multiply jobs and prevent the exodus of our country people.

That is what I want to fight for in this house and I am convinced that this philosophy is shared by the minister to whom I want to repeat my congratulations for the fine work he has been doing since he has taken charge of the department.

Mr. Caouette: Would the hon. member for Lotbinière allow me a question?

Mr. Choquette: With pleasure.

Mr. Caouette: Has the minister to whom he has just referred been created out of nothing?

Mr. Choquette: I said that the only ones who can create ministers are the Conservatives, since they succeed in doing something out of nothing. The Leader of the Opposition (Mr. Diefenbaker) is a striking example of what I am saying.

Mr. Allard: Mr. Chairman, I was not surprised this afternoon to see the hon. member for Lotbinière (Mr. Choquette) take the floor again because I must say that, in my humble opinion, he is a very active member, he assumes his responsibilities and makes his electors' views known to the house.

However, even if I do not always follow him right to the end, I must say that he was right to congratulate the Minister of Industry (Mr. Drury) for trying to promote the country's industrial development and particularly the industrialization of rural areas.

However, he criticized a remark made by the hon. member for Saint-Jean-Iberville-Napierville (Mr. Beaulieu) and I think that he was a little unfair to him because, in my opinion, in the field of industry, as in many others in Canada, jurisdictions overlap at present.

That is not surprising because in 1867 industrialization was nothing to worry about and the Canadian constitution could not foresee the fantastic program which we are witnessing and into which we are driven, mostly by our giant neighbour, the United States.

In that field, as in many others which we mentioned over the last three months, since the beginning of this session, we say that it is high time to amend the Canadian constitution precisely in order to clearly define our governmental responsibilities, those of the central government and those of the provincial governments.

Departments of Industry are being set up in the provinces. How far can the activities of a provincial department of Industry go? How far can the undertakings of the federal department of Industry extend?

How must the provincial and federal Departments of Industry work together for the common good toward the country's industrial development to get quick and effective results?

The Canadian constitution has us in a strait-jacket and, once again, I take this opportunity to ask the government—and there again it would be taking steps in the right direction as requested a little earlier by the hon. member for Lotbinière—to do something which would enable members of this house, to work within a joint committee with the Senate that would lay the groundwork for a national conference, to clearly define the constitutional reforms.

Mr. Chairman, the longer the task of defining governmental responsibilities is delayed, the more confusion and tension are created between the provincial governments.

When the government introduced in the house the Canada-U.S. automobile agreement, I was greatly pleased to support it since it was an undertaking which had already given very good results.

• (3:10 p.m.)

I had hoped, like many other members, that the government and particularly the Department of Industry, would have given serious consideration to taking quickly steps to reach similar agreements in other areas of industry in Canada.

Obviously, throughout the world, there exists this spirit of economic union, free trade, and I believe Canada should take part in this evolution, this trend toward free trade, through the development of its industries and trade agreements with other countries, including the United States. But we must always take into consideration the views of Canadian citizens and take care that our existing industries do not suffer from general agreements which, on the whole, might be harmful to some parts of our country.

This afternoon I wish to speak briefly on the textile industry. It is not the first time I do so here. I intend to raise it again, for the textile industry is an important one, especially for the province of Quebec. In fact, 20

important Quebec communities depend on that industry. In the riding of Sherbrooke, which I represent in the house, there are 12 textile industries which ensure the livelihood of 40 per cent of the workers, men and women.

That important industry is experiencing increasing unrest and is going through a critical situation, despite the favourable balance-sheets of some concerns. For instance, the Dominion Textile Company has a spinning-mill in Sherbrooke, another one in Magog and a third one in Montmorency; for the past ten years, its financial statements have shown surpluses and, if I remember well, from 1954 to 1964, its profits amounted to $120 million.

Does that mean that the textile industry is flourishing? Far from it, Mr. Chairman. When one considers the situation, one finds that industrials had to show renewed ingenuity to face up to foreign competition. They had to renew their equipment and adapt it for increased production to compete with foreign products. But all that was done at the expense of the working class, and here is why. In the spinning-mills or factories, the weavers have to work in abnormal and inhuman conditions. It has been established, for instance, that the working pace has to be based on the marching time of the British army, which is three miles an hour, to get 100 per cent productivity. In the textile plants in Sherbrooke and elsewhere, at the present time, workers must work at a rate of 125 per cent to get a decent salary of $65 a week —which is not unreasonable. They must run like rabbits, looking after 110, 115 or 120 spinning frames from morning until night, and most of the time they have only five or ten minutes to take a bite at lunch hour. Unlike everybody else, they do not have half an hour or an hour for lunch. That is the situation in the Canadian textile industry.

It is very well to say that our Industry Department is thinking of attracting new industries. That is fine. It is a good thing—and such a stand must be encouraged—for the department, in co-operation with other departments, to consider, as is often rightly mentioned by the hon. member for Villeneuve (Mr. Caouette), using our raw materials on the spot and processing them in the first stage here, in Canada, particularly to help our production and industrialization and the marketing of our finished products abroad. That is an excellent undertaking but the government should make every effort so that we keep our present industries and that they are not put in a situation which would force them to disappear.

The textile industry is a Canadian industry. This afternoon some hon. members referred to American investments, to foreign investments, saying that our industrial problems are often dependant upon other governments or foreign businessmen.

Well, Canadian capital invested in the textile industry represents about 80 per cent. Therefore, it is very important, Mr. Chairman, that the government make every effort to safeguard and improve the textile situation in Canada, especially in the province of Quebec. Solutions would be numerous. Of course, there is the colossal matter of foreign imports. We get too many foreign textile products. I have asked questions in the house in that respect, but I did not get any answer. I raise the question once again this afternoon.

We are told that those Canadian textile industrialists have opened foreign branches, either in Hong Kong or in Japan, with the profits they made in Canada sweating our labour class, which is forced to work in inhuman conditions. Those industrialists invested those funds in Hong Kong, in Japan or elsewhere, to set up factories, where production costs are much lower, and where Chinese or Japanese people work for 20 cents or 15 cents per hour. Those Canadian industrialists produce textile overseas and import it into Canada, into their own domestic market, thus hurting the Canadian production and slowing down employment within our own industries. Is that correct? In my opinion, it is important that the Department of Industry and the government take an interest in that aspect of the question and lay down standards to prevent Canadian industrialists who wish to invest overseas from using profits made here to import those foreign products, thus harming the Canadian production and the Canadian workers. I think the government should take this question into consideration in order to find out the truth about the facts that were reported to us, and lay down import standards in order to afford greater protection to the Canadian industry.

In fact, Canadian industrialists are still those who make most profits, thanks to very low production costs in Japan; they suffer no inconvenience from this situation; their fortune is ever increasing; they can travel throughout the world and live in luxury.

• (3:20 p.m.)

But the Canadian worker and the Canadian consumer must suffer on account of this

policy, if it is exists, and I believe it does, according to my information which is not official.

I feel it is the duty of the Canadian government and the Department of Industry to look into this field, in order to inform the people and set standards accordingly.

Because of certain imports we must accept from foreign countries, some thought should also be given to promoting the textile industry and diversifying its production.

Since Canada does not grow cotton, a material essential to the textile industry, the Department of Industry should consider promoting industrial research in the field of synthetic fibres, or still, in the production of certain synthetic goods, which would enable the textile industry to keep apace and maintain its activities, and especially enable Canadian workers and their families to earn a living in those industries and, with the help of the department of manpower, soon to be created, to become skilled workers in the production of new goods.

Those are the few remarks I wanted to add with regard to the textile industry. I wish to assure the minister that if he has encouraging words for the Canadian people, they will be readily accepted, because over 5,000 weavers are on strike at present in the province of Quebec.

Besides, the problem goes much further than that of relations between labour and management. The problem arises from difficulty within the textile industry which, in order to compete with too many imports, had to step up its production and output. As a result, the profits of the industry were not reduced, but the textile workers were compelled to work in inhuman and unacceptable conditions while getting an inadequate salary.

Such is the alarming situation facing the textile workers and their families who look to the government, not only to the management, for a solution, and expect the government to take a firm position in order to improve the situation.

In conclusion, Mr. Chairman, I would like the minister to make quite clear how foreign industrialists go about it when they want to come to Canada in order to open a subsidiary or invest capital.

How do they go about it? Do they apply to the Department of Industry or to the Department of Trade and Commerce? Do federal civil servants show them or lure them with industrial and economic advantages in all provinces, or in one particular province?

We need, in the province of Quebec, as well as in the Maritimes, an increasing inflow of new industry. Well, we want to know from the department, when foreign companies or businessmen apply to the federal government, how the economic and industrial image of Canada is presented to them?

For instance, we have 12 textile mills in Sherbrooke. I feel we have too many textile mills and that it is appropriate for the future, to think—and this is also of interest to other Quebec ridings—about keeping what we have, very well, but to think also of diversifying new industries, in different lines and that is the reason why we in Sherbrooke, need industries other than textile precisely to absorb manpower, which is sometimes totally or partially set aside, in order to maintain a high level of employment in Sherbrooke, in my area. And that goes for many other areas of the country.

Consequently, we should like to know how the government, the Departments of Industry or Trade and Commerce proceed to guide new foreign industries when they settle in Canada. I am asking publicly, today. I have often asked in writing. We, in Sherbrooke, are most interested in having new industries, in creating new industries.

We have a hard-working population, an enchanting site, adequate electric power, all necessary hydro-electric power, rivers, and we are close to the American border. We have a promising industrial centre. We are not going to send the Sherbrooke city council or the Sherbrooke member to Europe to meet various departments of industry over there. I am inclined to believe that foreign industrialists must apply to the federal government to find out which would be the best area, the best city in which to open a subsidiary.

I should very much like the minister to reply to this question. So, Mr. Chairman, I close my remarks and hope that the minister, when he speaks, will give detailed answers to these questions.

[*English*]

Mr. Peters: Mr. Chairman, I have listened with some interest to the last few speakers and probably the tenor of my remarks will not be anywhere near that of some of the remarks to which we have listened. Most people in Canada have been very interested in the Department of Industry, because it seemed that it might be like the extension of some of the other federal departments we have had, such as the Department of

Agriculture, the Department of Mines and Technical Surveys and the Department of Fisheries. It seemed a logical development that the Department of Industry carry on in that field the role that the federal government has had in other national fields.

This may be the intention, but in my opinion it certainly has not been brought about. We have about the same industrial development in Canada now that we had five years ago. But in this department directly we have spent now $31 million and, particularly in the segment in which I am interested, I believe very little is being accomplished to give an indication that the money is being well spent.

Let me say at the beginning, Mr. Chairman, that through my dealings with the Department of Industry, it would seem to me they have assembled in this department a very capable group of people, at least in a large segment of that department; but let me hasten to add that in my opinion they really have not started to do anything except in those fields which are similar to the operations of those in the Department of Defence Production who had related roles. I am speaking of the special branches where we have allowed industry to control the branch. One need only look at some of the branches to see where the control lies. When you see the dominance that industries have over those branches you realize that we are not really going to expand in those fields when the people in the department are controlled by industry. Obviously they are not going to be interested in the little people. Obviously they are not going to be interested in new people, and obviously they are not going to be interested in the development of any type of industry in that branch which will hurt the status quo of the people who put them there. I think that is a fact.

I do not intend to go into that role, but I think it is time some of us take a look at the Department of Industry, because I am sure anyone who looks at the department will find it is not doing what we expected it was going to do or what most of the members here may believe it is doing. It may be that some have not given much attention to this particular department because it has not affected their ridings. They should take a look at it, because it has become a little hierarchy of the civil service which will multiply without really going anywhere. I think nothing will result unless something is done in the very near future. As I say, I have met a number of

[Mr. Peters.]

people in this department and they are very capable people. However in my opinion they are not going anywhere.

I should like to talk about the one area in which I am concerned and in respect of which I have some knowledge. I refer to the whole role of the designated area and the part it plays within the department. Before I begin, Mr. Chairman, may I draw to the attention of the house something which happened the other day. Probably it will explain part of the problem as I see it. I have heard several members say that the minister has done a fair job and knows exactly what he is doing. I do not believe this is true, and I think the Prime Minister agrees. I believe this for the simple reason that the Prime Minister represents a riding in northern Ontario just as I do, and has been concerned about the fact that the Department of Industry and the designated area program have not helped northern Ontario one iota. Neither have they helped those who live in the maritimes, and the northern parts of Saskatchewan, Alberta, British Columbia, Quebec, and the other outlying areas which are not surrounded by the major metropolitan areas of Canada. I am sure these people also will say the program has not been helpful in those areas. The designated areas program has not assisted them in any way.

• (3:30 p.m.)

The Prime Minister came into his own riding several weeks ago and met a delegation there which stated again that they were receiving absolutely no assistance in persuading industry to come into the area. Even more important, they said they were not receiving any help in conducting a survey or inventory of their resources in order that they might know how to exploit these resources and what industries should be located there. The Prime Minister admitted that he did not know the answers and had not been supplied with them. He agreed that a committee of the mayors and reeves of the municipalities should be set up to consider the situation, and he left if up to the mayor of North Bay to get in touch with the other persons who should form this committee.

The Prime Minister promised that this committee could come to Ottawa and sit down with officials here to discuss these economic problems. They have done this and found the ministers of industry and manpower to be very helpful, along with a number of the personnel of these departments. During the discussions it became apparent

that these people do not know what resources they have and do not know what assistance they need in developing them, or what may be available to them. They will never know until a survey and inventory have been carried out in the area.

There are a number of difficulties that prevent the attainment of a proper solution to the problem. Let me give one example. The minister of manpower suggested that one of his senior officials should get together with the committee to discuss the problems. It occurred to me that the development agency which is responsible for northern Ontario should also be represented at these discussions in order to avoid having two meetings, one with each department.

On the basis of that idea I telephoned the junior official responsible for the area and suggested that he attend these meetings. I was very surprised to learn later that my stenographer had received a call from this individual stating that he had been refused permission to attend this meeting because he had not been invited. In this country we have to co-operate with various provinces because this is a federal state. If we cannot send somebody from one department to another without a gilt-edged invitation, then I am sure we are damned well never going to be able to get along with the provincial governments.

I do not know what the answer is. Perhaps we should reduce the minister's salary to $1, but I do not think that will provide an answer to the problem. I am sure he does not know what to do about this matter. We said that this program would not work on the basis of the criteria that were laid down; the minister's senior officials told him that it would not work, and it has not worked.

It seems to me that these areas were selected by the Prime Minister and the premiers of the provinces who sat down and picked out a bunch of communities. Some of them meet one criterion and some meet another, while others do not meet any of them. It is interesting to note that the selection is more in keeping with the suggestion of the minister than with the ideas of the people who are working on this problem.

It is also interesting to note that Manitoulin island, located in the riding of the Prime Minister probably felt he should get something out of the selection. I am sure one premier said he wanted Bracebridge and another premier said he wanted something else. I have no objection to that situation, but what the devil does it matter in the long run? I should like to see the entire northern Ontario area designated because we are all in the same boat.

If we can develop new industries in one area or another let us not play one against the other, but take advantage of the situation on a national basis and develop the industry in the area in which it is most likely to succeed economically. Any other method of designating areas is stupid. The minister made a statement the other day which I should like to paraphrase. I cannot quote him verbatim and may even be distorting his words, but it seems to me that what he said described the ripple theory. That is, when you throw a rock into a pool you create ripples which emanate from the centre in ever widening circles. This same theory has worked in respect of large metropolitan areas and the ripples have encompassed surrounding towns.

I can remember when Thornhill was on the edge of Toronto and the farmers in the area used to ship milk by streetcar into the city. When I was hitchhiking in the Toronto area some years ago I remember riding on that streetcar among milk cans, chickens and other farm produce. That area is now in downtown Toronto.

The industrial area has been extending farther out from Toronto each year. It now takes in Thornhill, Bracebridge, Orillia and other towns. In future years I am sure this industrial ripple will encompass Kirkland Lake, Midland, Owen Sound and Parry Sound. It does or will include Sturgeon Falls, but I cannot imagine why, because the only industry they have there is the pulp and paper industry, which is now operating full blast, whereas a few years back it only operated for two or three days each week. I do not understand the story there, but I am not very much concerned. However, under this ripple theory they all fall within the Toronto area which runs out 50, 60 or even 100 miles.

Some day North Bay will come within the circle and it is 250 miles away. Kirkland Lake will come within the circle and it is 300 miles away. Timmins, which is 350 miles away, will eventually come within the circle, as will Moosonee and other places, and eventually we will have more salt-water ports in Ontario.

This will all happen eventually, but I do not think I will live to see it. Nor do I think

the minister, this parliament or this program will live to see it. What do we do about the situation? We did not think there was going to be an election last year, but rather that we were going to have a recess. we had the assurance of the minister that somehting would be done about the situation immediately after we returned at the end of the recess. He was reluctant to give us his assurance in that regard, or that is the way it appeared. In any event he said, as reported in *Hansard* at page 3125 on June 30, 1965:

> I have assured a number of members, and I am glad to assure the house, that the government will table at the opening of the next part of the session the order in council designating the areas and will endeavour at an early date thereafter to refer the order in council to the house committee on industry, research and energy development for discussion.

I do not think there has been any attempt to table this, nor do I think there has been much attempt to discuss it. If the minister wishes to live up to his commitments, we would be happy to have him state that he is going to do that now. We would be pleased if he would also indicate that sessional paper 1981, which sets up the regulation for development incentives that affect designated areas, will also be referred to a committee. Perhaps that would be sufficient to satisfy our requests. If he is not prepared to do that, I am left with only one alternative. I must take the only action that is available to a member of parliament. I will have to beat this thing to death and bore this house and government until something is done. That action is not fair to other members of the house, but it is one of two alternatives available to back-bench members: They can either move a motion to reduce the estimates of a department or, in some way, force a discussion on the matter which will bring about a situation that may not be satisfactory to anyone.

• (3:40 p.m.)

I am not sure which proposition is the least unreasonable or the least unfair; but I believe it is vital that we in Canada find a solution to the problems presented by centralization, and arrest the flow of people from areas dependant on primary products to the major cities, which are centres not of production but of consumption. Not everyone will be interested in this question. Farmers will not be greatly interested. Many of them have not even considered it. I was always interested to hear people in the west say that the C.C.F. government had chased all the people out of Saskatchewan. I think they would find that Saskatchewan is no different from any other agricultural area in this respect. Every time a farmer doubles his acreage something has to be done about the man who was sitting next door before the amalgamation took place. There is bound to be a large displacement of the agricultural population and a search for new types of employment.

Yet, this is, basically, not a physical problem. This is not a difficulty which cannot be solved. It has been faced by France for at least 300 years. Why do not those people of French extraction who are so anxious to protect the provincial autonomy take a look at what has happened in France as a means of decentralizing and maintaining a national industrial development program which would keep people at work in all segments of the country, rather than concentrate them in one or two areas?

This problem has been tackled in England. It is well known to the government. Why will the minister not consider what has been done in England to decentralize industry? Why is the minister not interested in deciding that it would be better for the people of Canada if certain industries were located in one area rather than another? Possibly he does not know what has been happening in other countries; but I think he does. He must therefore have a reason for not giving us the benefit of his views. If he has not studied this question, I can assure him the senior officials of his department have done so. They are well aware of what has happened in other countries and of the difficulties which have arisen with regard to our own arrangements —difficulties which will make them inoperative in most of the areas they are designed to serve.

Some have suggested that the designation of northern Ontario rather than Manitoulin island would not necessarily bring industry into the region. I am not saying that designation is the complete answer. But, should all of northern Ontario be designated, I know of three major companies which would go into that part of the country. Why? Not because they particularly want to move into the area, but for the simple reason that this is where they find their raw material. One of these companies is the E. B. Eddy Company which has been sitting on limits in my area for 60 years. They have now been given three years in which to decide whether they will put up a pulp and paper mill. In default of this, they will lose their present limits. The expenditure involved would be considerable—some $42

million—even for a company as big as E. B. Eddy.

Why should we offer incentives to industry to establish themselves in the suburbs of Toronto where all the necessary services have to be provided at great expense. These companies cannot afford to provide their own transportation or educational systems. The cost falls on the taxpayers as a whole. Meanwhile the rest of Ontario is drained of its population.

I do not know what the answer is, and in trying to find an answer I have been given little co-operation by the federal government. Of course, we are not a unitary state and the federal government cannot make all the decisions. But for years I have been a member of the committee on agriculture, and when the federal government is interested in developing a new pesticide helpful to those engaged in the growing of corn I never hear any objection from the western provinces. Similarly when there are plans for the development of insecticides to protect tobacco crops I do not hear any objections from Ontario. Similarly I do not believe any province would object if the government were to come forward with proposals which really would bring in new industries to areas where they are badly needed.

We know that the present criteria will not work in northern Ontario. There is virtually no unemployment in my riding. Of all the hundreds of students who graduate from high school in Kirkland Lake today, not more than 4 or 5 per cent will be able to work in the area. The great majority of these young people have to go to Toronto or other cities in southern Ontario to find work.

This is not because of the different wage level existing locally as compared with rates in the more populous centres. I am sure there are people working in Ottawa today who are earning 40 cents an hour less than they might be earning in Toronto. Yet they stay in Ottawa. They stay here because it is home to them. It is the same in northern Ontario and in many other areas where the local population is being displaced through lack of employment opportunity. The money is not as important as is the opportunity of getting a job near home. Then again, we do not send a boy to a technical institute or to a high school and then expect him to take a labourer's job digging ditches.

The Department of Labour, or the department of manpower as it is to be known, together with the Department of Industry must find a solution. I do not expect the minister to present his estimates and say: Give me $30 million. I expect him to make some major pronouncement of his intentions about this industrialization program.

• (3:50 p.m.)

Let me tell you, this formula for the designation of areas at which we have arrived is obviously not satisfactory. It was so unsatisfactory there was an arrangement made to make these designations. The designations are not necessarily the best ones, but they are by no means the worst either. I have no disagreement with the areas that were designated. I can honestly say that in most cases they were no worse or no better than the areas alongside.

I have not been in the maritimes for the last two or three years. However, I know that the problems of the northern areas are similar to those of the maritimes. I do know that under the Conservative government an arrangement was made whereby assistance was provided to the maritimes on a regional basis for the development of some industries. I am aware also of the fact that the Atlantic provinces set up a self-help agency in which industry participated. I believe this type of organization could be kept in mind for the development of unequal growth areas in other parts of Canada. It could help to solve this problem which is not unique to northern Ontario or the maritimes.

This problem is common to those areas on the periphery of large centres of consumption. As I have said, Mr. Chairman, there are a number of things I could do. I could, with the assistance of some of my colleagues, hold up the estimates of this department for the next 30 days. I am sure we could do this. I do not believe it is an idle threat. However, I honestly do not believe this is the way to accomplish anything. Hon. members may recall that I did this, and got a commitment from the minister as a result of the pressure, to get the house closed in June of last year. It is more in sorrow than in anger that I say I am surprised the Liberal party, the Prime Minister and the cabinet, have allowed this kind of commitment to be made and not honoured it. I do not believe the government accepted it because of a threat. I believe they accepted it because they thought there had to be some more consideration for this problem.

It does not really fall on me to instigate this consideration. I believe that is the responsibility of the government. I believe too that if the government does not intend to

do this, then we are going to have to ask the industrial committee to visit other countries. The committee will come back united and decide it is going to run the government. This could be the answer, I do not know. There do not seem to be any readily available answers.

Mr. Churchill: May I ask a question? What did the hon. member mean by visiting other countries and then coming back and running this country that way?

Mr. Peters: I referred earlier to the fact that France, England, Norway and Sweden have developed different types of programs for the decentralization of industry and the distribution of industry rather than allowing people into the industrial centres, wherever they may be. If the committee were to visit Norway, in particular, they would find a very despotic method of deciding where industries should be located. The government makes the decision and if somebody wants to run the industry, that is okay. If nobody wants to do so, then the government puts somebody in to operate it as a crown corporation. The Swedish system is not quite so severe. In England they use the carrot, the stick and two or three different ways. France probably has a much better thought out system for deciding on the distribution of people and industries.

If the committee went to those countries it would probably come back convinced that one of these methods would work, because I believe the members are interested in finding a logical and sensible solution to the problem. The committee would probably recommend legislation containing at least one aspect or a combination of aspects of the controls used in other countries. Then, what is the answer? Do they tell the government what to do? Does the committee force the government to introduce legislation? I am not sure how we do it. I know that this question is important enough to my riding, important enough to every northern riding in every province of this country and to the people in the maritimes, that they are going to have to do something about it. I would strongly urge the minister to stand up and give us some indication of the direction in which he intends to go with this designated program, because it is not working well now.

The Deputy Chairman: The hon. member for Villeneuve.

Mr. Churchill: I rise on a point of order, Mr. Chairman. This is the fourth speaker from parties other than the Conservative party, which has 96 members in the house.

The Deputy Chairman: I wish to thank the hon. member for Winnipeg South Centre—

Mr. Churchill: I just draw it to your attention, Mr. Chairman.

The Deputy Chairman: —for reminding the Chair of the allocation of speakers. There is a certain number of speakers on behalf of the various parties, and the parties were allocated certain times. However, since there were no speakers available at certain periods, I have recognized the hon. member for Villeneuve.

Mr. Churchill: I have been here all day.

• (4:00 p.m.)

[*Translation*]

Mr. Caouette: Just a few words, Mr. Chairman, with respect to the estimates of the Department of Industry.

The most fantastic point I find in the department's expenditures which amount to $50,582,400 is the difference between the:

(Fund) to sustain technological capability in Canadian industry by supporting selected defence development programs, on terms and conditions approved by Treasury Board—

A fund which amounts to $25,000,000 and the:

(Fund) to advance the technological capability of Canadian manufacturing industry by supporting selected civil (non-defence) development projects on terms and conditions approved by Treasury Board—

Mr. Chairman, this latter fund amounts to $8,700,000.

Now, the government spends four times less money on technological progress concerning non-military Canadian manufactured products than in the field of military defence.

I think it would be a good thing, for the enlightenment of members of Parliament and of the Canadian people, if the minister were to explain this difference, why he spends four times as much for defence as for non-military matters.

Such expenditures might be warranted if a war or some such thing were in the offering but I do not at the moment foresee any immediate conflict with another country; yet the Minister of Industry (Mr. Drury) is assigning $25 million for technological development in the field of defence, and only $8,770,000 for technological development concerning non-military matters.

Mr. Chairman, it is worthwhile to see the extent of the personal interest of the Minister of Industry in industrial decentralization and so forth. His estimates do not deal much with this subject. All the members are loudly demanding industrial decentralization—in fact, we heard earlier the hon. member for Lotbinière (Mr. Choquette) say that we should put an end to this rural exodus towards the urban centres where there are many industries, and that we should decentralize until industries can be established in all ridings or near the towns which will bring economic expansion to all Canadian ridings.

The member for Sherbrooke (Mr. Allard) said that there are a dozen textile industries in his region. He also mentioned a very interesting point, which is that Canadian industries have established branches or subsidiaries in the Orient, in countries across the Pacific, either Japan or China, where labour is much cheaper than in Canada.

Some Canadian industries even operate in Japan or China, bringing back textile products and competing with themselves. At least, this is what I deduce from the statements made earlier by the member for Sherbrooke, and I am not surprised.

As for electrical appliances, they are manufactured in large quantities by branches in Japan and shipped back to Canada. In the United States, manufacturers compete with themselves by importing products made in Japan or China. The same manufacturers compete with themselves with products made in Canada on the one hand and in Japan on the other.

Is that being very honest with the Canadian industry, the Canadian people, the Canadian government? Is it very honest to allow those industries to do that?

Mr. Chairman, we have other concrete examples. I come from a mining area the Department of Industry knows well. We have copper, gold, iron, zinc and lithium mines, in short all kinds of mines. One of our most important mining companies, the Noranda Mines produces gold, copper and zinc in huge quantities.

Not so long ago, the Noranda Mines officials decided to build a refinery to process the zinc mined in our area. Now, I do not know by what stretch of the imagination this decision was arrived at, but the zinc refinery was built in Valleyfield near Montreal rather than in our immediate vicinity which would have help create hundreds of jobs in our area. Then, in view of the circumstances and of the fact that our climate is severe, in short that we cannot set up in our region all kinds of new industry, the Minister of Industry could have opposed the building of this refinery in Valleyfield and proposed its establishment in our area, since they would have processed on the spot metals found in our part of the country. The federal Minister of Industry and his provincial counterpart did not pay any attention to this matter.

At present, in Malartic, there is talk about closing the gold mines because the grants given by the government are just enough to allow mines to die slowly; indeed, they are disappearing before your very eyes. If we continue to make grants, it is only from a social point of view, that is for the maintenance of families in urban communities, in small towns, as they are called here.

Why is the government not taking steps, for example, to promote the development of new iron ore deposits in our area? There is an immense potential of iron ore deposits in the area of Val d'Or, Malartic and Senneterre, and I realize that it is not the responsibility of the government to develop and operate mines, but if the government, as a result of its foreign trade, found a market as for the Ungava iron, there would be within a year at least a dozen mining companies operating in northwestern Quebec. At that time, the government would prove its good will toward a needy area.

As I have already said, our area has numerous copper mines. Noranda Mines is one of them; in fact, it is probably the largest mining company of its kind in Canada. It produces large quantities of copper which is cast into sheets or bars, then shipped to the Canada Wire Company, in Montreal, a branch of the Noranda company, where copper wire is made along with many other items.

Has the Minister of Industry consulted the management and the shareholders of the Noranda Mine, as he should, to suggest to them the establishment of a subsidiary plant or secondary industries in our area, to process the natural resources right where they are being extracted from the soil of Rouyn, Noranda, Malartic, Senneterre and Témiscamingue where there are bituminous mines?

Mr. Chairman, at the present time Canada would be accomplishing a beneficial gesture toward such areas, which are not designated but which nevertheless need secondary industries. In short, they have a great potential and a promising future.

Instead of spending $25 million to support the technological power of the Canadian defence industries, why could we not earmark this money to develop secondary industries, or else try to educate the officials of some companies as to the possibility and the logic of establishing secondary industries in our area, since we can supply the raw materials?

• (4:10 p.m.)

Do you not believe, Mr. Chairman, that we could also process these raw materials in our area? We could have done so with zinc; we could do it with copper and lithium and have secondary industries there. We have unlimited possibilities in our district, provided the government and the minister would look at them and see what is going on.

Some members of the house were lucky enough to visit my region and to see the operations of beautiful mines such as Val d'Or located close to Noranda. We have splendid mining industries at present, but the ore is mined and nothing is done to create secondary industries which would enable us to process the ore on the spot, in the northwestern part of Quebec. I call the attention of the minister to this point.

I have no further comments, but I want to draw the minister's attention to the following point: I am not asking him nor the government to spend millions of dollars to set up industries. I am asking that they discuss, with company officials, the possibility of creating secondary industries there. In this way, the minister will help the population and respect private enterprise by explaining that it is in its best interest to help an area develop as much as possible.

Mr. Chairman, the estimates of this department may not be very high, since they total only $50 million.

Industry needs much more throughout the country. A few provinces, or one province only, could use up that amount. But the Minister of Industry can help without detriment to anyone by allowing copper to be processed in Noranda instead of Montreal. This seems logical to me. It could be processed in the area of Val d'Or or Malartic, which is disappearing from the Abitibi map, because gold mines have to close down. Hence it is important and urgent that the Minister of Industry should assume the responsibilities which fall on him to help the area to develop, survive and grow, in short be what it used to be in the past, of great importance to the development of Canada and the province of Quebec.

Then, the minister will have helped not only my area but the Canadian economy as a whole. This will bring in more industries; decentralization will be achieved and we will be able to say that the Minister of Industry has played his part in maintaining our small towns, and establishing a more stable economy than that which we now have in the country.

[*English*]

Mr. Churchill: Mr. Chairman, the importance of the department that we are now discussing I think must be evident, in view of the number of members who have already spoken, and in view of the emphasis they have been placing on one of the functions of this department, which is to provide industrial development elsewhere than in the heavily industrialized sections of Canada.

The Minister of Industry occupies a very important position within the government. With his Departments of Industry and Defence Production, and expenditures of about $80 million with respect to both those departments, he has an opportunity of exerting great influence on the industrial development of Canada.

We are nowadays in this country showing a proper interest in education at all levels, and in technical and vocational training. We are showing a great interest in bringing skilled immigrants into this country. We are intensely concerned with the development of our natural resources. We are equally concerned with the development of our industrial strength. It is in this field that the minister has the opportunity, with his staff in the two departments, to chart the course for Canada for the future. I think that a long-range view certainly is desirable.

I now wish to refer to the Thompson report, which had specifically to do with Air Canada, and with the overhaul and maintenance base in Winnipeg. What I will say may well overlap into things having to do with the Department of Defence Production. I think the minister will not object. He will be happier to hear one speech rather than two from this side of the house.

I trust you will bear with me, Mr. Chairman. I will link what I have to say directly with the responsibility of the minister, as I see it, and with the opportunity that lies in his hand to play a great part in directing the

future of this country. I spoke about that in my preliminary remarks.

I would direct the minister's attention to page 132 of the Thompson Commission report, which repeats a statement made by the Prime Minister of Canada at the Dominion-Provincial Conference held in 1965. I quote, and these are his words:

> I would like first to refer to the economic items on the agenda. The first of these is concerned with regional problems. The federal government is well aware that the course of economic development in the various regions of Canada has been uneven. This has resulted in unequal opportunities for people in different parts of the country . . . Regional inequalities clearly mean that it is not enough to have policies designed to maintain a high rate of growth for Canada taken as a whole. We must also have policies to develop the full potential of all parts of Canada. Historically, regional inequalities have been the main divisive forces in our country and many national policies have therefore been directed toward overcoming such inequality. Changing circumstances require adaptations in the form of such policies but in no way lessen the importance of the objective . . . They must take into account the special needs of the individual regions. If all Canadians are to benefit as they should from economic growth we cannot rely entirely upon such general instruments as fiscal policy, monetary policy, and commercial policy. They have to be supplemented by more selective measures to achieve particular goals.

The Minister of Industry and of Defence Production is the person responsible for getting governmental approval to supplement fiscal policy, monetary policy and commercial policy by more selective measures to achieve particular goals. Indeed the Minister occupies a very challenging position.

One or two years ago I raised objections with regard to splitting up the Department of Trade and Commerce. Now, however, that split is an accomplished fact. It is now up to the minister to produce results. I think perhaps that he has able men on the staff to work with him. My words there apply to general policy. Let us apply the general policy to the particular situation in the city of Winnipeg, in the province of Manitoba, as outlined by the Thompson report dealing with the overhaul and maintenance base of Air Canada in that city and in that province. I suggest to the minister that he need not read the whole report. The portions I want to deal with are largely to be found from page 119 to 133.

• (4:20 p.m.)

The Minister of Transport has responsibility in this house to report on behalf of Air Canada. He is the one who tabled the report and who gave the evasive replies on it yesterday, and to a certain extent today. I presume the Minister of Transport will say that this is the third report the government has received with regard to Air Canada, and consequently it will accept the suggestion of Air Canada that its operations with regard to overhaul and maintenance be confined to the one base at Dorval and that, over a period of a few years, the other base in the city of Winnipeg will be discontinued. I assume the minister will adopt that attitude, although this morning I had hoped he would take a different view and give us a policy statement.

I am not going to deal in any detail with the Thompson report which has come out against the retention of the overhaul and maintenance base in Winnipeg. Mr. Thompson had a specific investigation to make. He has now made his finding, and on economic grounds he reaffirms what earlier investigations had pointed out, that it is cheaper to operate the one base at Dorval than to have two, with the second at Winnipeg.

My only regret during the course of this rather long drawn-out controversy over the Winnipeg base is that in 1957 we did not have a distinct statement with regard to Air Canada's position, a statement which we subsequently received in 1962 and to which Mr. Thompson draws attention. It was only from 1962 on that it became clearly evident that it was the intention of the management of Air Canada to shift the base from Winnipeg to Dorval.

When I became apprised of what was going on I considered, and continue to hold the opinion, that the case having been clearly made out that it is uneconomic for Air Canada to support two bases, then the decision rests with the government as a matter of policy, based on the Prime Minister's statement which I have just read with regard to regional development and the economic progress of Canada.

It would be quite unfair to ask Air Canada to operate at a loss because of a decision made by government. If the government makes a decision which would cause that crown corporation to operate at a loss, then the loss should be borne by the people of Canada rather than by the corporation itself. That is the attitude I have taken for several years on this matter.

This is an instance where the government should say to Air Canada, "We would prefer that you would sustain more than one base in this country, but if economic surveys indicate

that the maintenance of two bases will result in a loss to your corporation, that loss will be borne by the government of Canada, in other words, by the people generally." That would be in keeping with the policy that has been pursued within this country on a great many matters over the years. The government has undertaken subsidization of railway development, shipbuilding and many other enterprises. Air Canada itself is a government operated crown company. It is owned by the people of Canada. It works for the benefit of the people of Canada. It is not a private enterprise looking for a handout. Therefore it is in a different position from some other enterprises. Nevertheless, in the interests of general development in Canada, generation after generation the government has made it possible for industry to develop.

One field in which we have seen great government activity has been that of railway development and building. Looking to the future the government would be well advised to reconsider the situation with regard to Air Canada and its overhaul and maintenance bases. It should decide as a matter of policy for Canada that the second overhaul and maintenance base should be maintained in the city of Winnipeg.

That base has been there for a long time. By virtue of its existence it has built up a strong force of highly skilled labour. There is also a social aspect which must be taken into account by a government. It could not be taken into account by a commission looking at just the economic aspects, but when it comes to a social aspect this is where a government should play and frequently does play an important part.

The social aspect means the uprooting from the city of Winnipeg of approximately 1,000 highly skilled personnel with their families, and the shifting of those people from western Canada to the city of Montreal. That is uprooting people in a very serious way. We are quite familiar with the mobility of our population, but when there is a major uprooting like this I say the government is obliged to take a second look at the matter.

Let us quite frankly accept the fact that on an economic basis Air Canada cannot support two overhaul bases, but from a government viewpoint the second base in the city of Winnipeg should be maintained. It has been pointed out in various arguments presented to various commissions, and certainly to the Thompson commission, that in case of danger, international warfare or some serious trouble, accident or natural upheaval, a base might be put out of action. I quote from page 119 of the report to that effect:

> In several submissions it was suggested that Air Canada should have not less than two overhaul bases in the event that by reason of war, insurrection, act of God, explosion or other disaster, one was disabled. Any of these contingencies could occur at Winnipeg or at Dorval, but of course the result would be more serious if it occurred at one base and there were no others available.
>
> The cost of duplicate facilities would be a significant annual insurance premium, which other air lines do not seem to assume.
>
> Air Canada stated that in the event of a contingency at Dorval recourse could be had, so far as airframes and components were concerned, to the C.P.A. base at Vancouver . . . . Air Canada also filed correspondence and memoranda indicating that there was in existence a North American pool of technical facilities and services for standby services should an air line's overhaul facilities become crippled. There are at least seven facilities in the U.S. where DC-8's, and presumably in due course DC-9's, can be overhauled.
>
> Air Canada is an informal or associate member of this pool. It does seem to the commission that Air Canada could profit by close liaison with and development of the pool. Beyond that comment the commission has no recommendation to make.

• (4:30 p.m.)

I suggest, Mr. Chairman, that despite the fact that there may be places elsewhere in the North American continent where assistance could be given in the event of a disaster at the Dorval maintenance base, we should not rely on that. This means we are relying on the United States for assistance in time of trouble. If this is so, there may be no opportunity at all to rely on the United States bases; they themselves would be subjected to the disaster which would follow a missile attack on this continent. As a nation which prides itself on its wealth and its development, I think Canada should stand on its own feet. I would suggest to the government, on the basis of national defence alone if for no other reason, the overhaul and maintenance base in the city of Winnipeg should be continued. If there are additional charges, and I expect there would be, this would be a proper charge against the Departments of National Defence and Defence Production.

We maintain shipbuilding facilities on both coasts of this country.

Mr. Drury: For economic reasons.

Mr. Churchill: Not solely for economic reasons. We do so because it is cheaper to build the ships in eastern Canada than it is on the west coast. I can say that, having sat in on several policy decision matters related thereto. I suggest that our shipbuilding facilities

are sustained in this country on both coasts not solely for economic reasons, but also for defence purposes. Similarly I would do the same with regard to maintenance for our aircraft. I think the minister has another way of looking at this. Charged as he is with taking action in what he calls designated areas where unemployment is rife, I think he should take action in advance of unemployment occurring in an effort to prevent trouble arising along that line. Here, through various reports and certainly through this Thompson commission report, he has advance notice that a serious situation is going to develop in the city of Winnipeg with regard to 1,000 skilled personnel, not all of whom will find vacancies existing at the Dorval maintenance base.

I suggest that there is an opportunity here for him to take action before he is called in and asked to designate an area out there because of unemployment conditions. I suggest further that in his plans for the development of industry and the development of skills he should do everything in his power to sustain in the city of Winnipeg this highly skilled labour force. It may be that he would have to direct their activities into other channels or associated activities; but this is what the department exists for. There are hundreds of people in these two departments, industry and defence production, who have minds capable of grasping this problem and of producing half a dozen solutions from which the government may select one. This just takes a little imagination and some vision.

On the basis of his activities as the Minister of Defence Production I think the minister should consider very seriously and at a very early stage what can be done in defence production with that group of skilled personnel in the city of Winnipeg. I do not know with exactitude the plans of the Department of National Defence with regard to the aircraft they will use in the future, but over the last three years they have had innumerable seminars and study groups and they must have some plans along this line of which the Minister of Defence Production must be aware. It seems to me that here is an opportunity, in the field of defence production, to sustain that skilled work force in the city of Winnipeg. I am not suggesting for one minute that the activities of the Department of Defence Production presently being undertaken by Bristol, Standard and Western Aero companies should be diverted to the personnel at the Air Canada base; quite the contrary. In the past the Department of Defence Production quite properly has seen that those companies I have mentioned have had work to do for defence purposes. I quite agree with that.

In our term of office the former minister of defence production, Mr. O'Hurley, was very sympathetic toward the development in western Canada of a pool of skilled labour which would be useful for defence purposes. I suggest that this minister should take a similar attitude in this regard; he should project his plans a few years ahead and see to it that some part of the work in the future for the Royal Canadian Air Force—if it retains that name—will be done in the city of Winnipeg by skilled personnel who already are there available, whose homes are there, and who should be permitted to live in an area of this country in which they have chosen to live and not be plucked out and diverted somewhere else.

In the field of defence production I should like to know from the minister specifically—we might not be able to obtain all the facts today—what is the allocation of money by areas in this country; to what extent is defence production carried on in western Canada, or is it all centred in the industrial area of Canada, as we speak of central Canada. Once we start talking about diversification you will find that westerners and people from the maritime provinces see eye to eye. Although we are sympathetic toward our friends in the central provinces, we do feel that some of the work done here could be done equally well elsewhere. We should have carried out the policy which the Prime Minister enunciated at the dominion-provincial conference and which has been enunciated on other occasions.

To what extent is the minister developing the highly skilled trades out in western Canada and the technological capability in Canadian industry for defence production purposes? We observed what had been done during wartime with regard to having our defence industries pretty well centralized in central Canada. In those days there was a great opportunity to diversify and spread out our defence effort, but it was not done. Now, in this cold war period we are in a continual state of having to spend a billion and a half dollars or perhaps more on defence matters. Year after year this goes on. To what extent are we widening out our basis of production for defence purposes and not having it centralized in one area of Canada?

• (4:40 p.m.)

Those are the considerations that I draw to the minister's attention. It was rather dismaying that we did not, immediately following the Thompson report, the substance of which I presume has been known to the government for some considerable time, receive a statement of policy regarding that particular program. In the fields of the Departments of Industry and Defence Production there is an opportunity now to retain in western Canada the skilled personnel who have done such useful work for the air industry over the past years. Why should these people be displaced and dispersed?

The Thompson report in dealing with the military matter I was talking about states at page 129:

> The total volume of all military aircraft work (including helicopter work), available in Canada was estimated by Mr. Elbert Cheyno of Los Angeles, appearing on behalf of the province of Manitoba, as involving some four million hours of work per year. Inquiries made by the commission indicate that there is likely a somewhat lesser number of work hours than estimated by Mr. Cheyno.

I am not going to quarrel in that regard, but there is a large number of work hours available.

At page 130 the commissioner states:

> An annual workload of some 800,000 hours would be required to maintain a staff of approximately one thousand men at the AC Winnipeg o/h base.

That is the present enrolment there. The report goes on to state:

> To maintain existing workloads at Standard Aero and Bristol and the AC base would mean that approximately one-third of all military aircraft work available in Canada would be done in Winnipeg. Such a transfer of work would require disregard for the operating areas of the aircraft, and their cruising ranges, the proximity of established bases in such areas, and the cost of duplication of specialized skills and equipment.

Standard Aero and Bristol are private enterprise operations in the same field. The report then goes on to state:

> The aircraft industry with its related activities is dynamic and rapidly changing.

That certainly applies with regard to defence matters. I suggest to the minister, and I will conclude before you rise, Mr. Chairman, that in the various fields there is a real opportunity for him to apply in a practical sense an immediate policy for regional development as outlined by the Prime Minister. This is a policy with which I think most Canadians are in agreement.

[Mr. Churchill.]

Mr. Jorgenson: Mr. Chairman, in the few minutes that are available to me before five o'clock I should like to deal with one aspect of the minister's estimates as it applies to the constituency I represent, and particularly to the Pembina valley area. I agree with the hon. member for Winnipeg South Centre that the minister's department is a very important one. In future years one can envisage how it can play a very important role in the development of industrial areas across Canada.

The hon. member for Lotbinière spoke with some considerable vigour about the virtues of the minister. I do not quarrel with his energy or his ability, but unfortunately in so far as the Red river and Pembina valleys are concerned, a great deal of this energy is expended in running around in circles. We would not be so chagrined if we knew the department was just doing nothing in that area, but what in effect is happening is that the area development program as it applies to the province of Manitoba is creating a situation in which the municipalities, in attempting to locate industry in their areas, find themselves competing against one another.

This competition has been taking place for some considerable time. What the minister's department has done under the area development program is place a very serious obstacle in the way of certain municipalities which are not covered by this program in competing with other areas which are covered.

If one looks up the salary figures for the area of the Pembina valley, which comprises census divisions two and three, he will find that the total average income per family in those two areas is $3,598 and $3,608, respectively. In the Winnipeg census district the average family income is $5,899, and in census division four, which is the area comprising Brandon, the family income figure is $3,794, which is in excess of the incomes of census divisions two and three.

By what criteria is the Brandon area established as a designated area, other than by using national employment services figures? In our opinion the use of those figures as a criterion for designating an area is manifestly wrong because the entire southeastern part of Manitoba falls into the Winnipeg census district.

Because of the fact that the metropolitan Winnipeg area is an area of substantial growth each year—perhaps not as spectacular as some areas in Canada—it is able to accommodate the labour force which lives in the

area. Therefore we find that the national employment service figures for the city of Winnipeg and the areas south and east, which are all in the same division, show a relatively low unemployment figure. The fact is, however, that the unemployment figure for the areas outside, particularly in southeastern Manitoba, which really should be considered as an ARDA area, show a much higher rate of unemployment than the city of Winnipeg. These people are being discriminated against by virtue of the criteria applied in establishing designated areas.

I would urge the minister again, and this has been done by the Pembina Valley Development Corporation on many occasions, to give consideration to changing the criteria for the establishment of designated areas. I think income must certainly, in particular areas, be considered as a criterion to be used, rather than using national employment service figures. Rather than basing the criteria on national employment figures they should be based on census divisions, because this is more likely to produce a clearer picture, so far as unemployment in a given area is concerned than national employment figures.

• (4:50 p.m.)

I again urge the minister to give serious consideration to the changing of this criteria so that a more equitable application may be made in the province of Manitoba. The people who comprise the Pembina Valley Development Corporation have worked hard and long to attract industry to that area, and until the minister's program came in they were successful. Now they find that despite all their efforts industry is moving into areas which need assistance much less than the Pembina river valley and southeastern Manitoba.

I do not wish to create the impression that the minister should not apply this area program to other parts of Manitoba, but I think it is wrong to include the southeastern part of Manitoba with the Winnipeg employment service district. If the minister cannot be of any help in assisting the people of this area, then in the name of God let him not hinder them and be an obstacle in the way of development of industry there.

Mr. Knowles: There are times in this house when the constituencies of Winnipeg South Centre and Winnipeg North Centre get confused. This sometimes leads to a bit of humour. But on this occasion the member for Winnipeg North Centre would be quite happy if the speech made by the hon. member for Winnipeg South Centre were attributed to him.

Mr. Jorgenson: We shall take it as read.

Mr. Knowles: In other words, I commend the hon. member for Winnipeg South Centre for making these remarks today.

Mr. Drury: They were out of order.

Mr. Knowles: The Minister of Industry may feel they were out of order, but bearing in mind the responsibility of the department I do not think that was the case. If we are to have a statement soon from the Minister of Transport with regard to the recommendations in the Thompson report, I think it is a good idea that there should be an expression of opinion along the lines we heard today from the hon. member for Winnipeg South Centre.

I join with him in saying that I do not criticize Air Canada for making its decisions on an economic basis. But this country is what it is today because of many political and social decisions which have been made in order that it might become a great country from coast to coast. I agree that there are decisions which have to be taken to bring about the decentralization of industry and the parallel development of our country in all of its areas. I therefore hope consideration may yet be given by the government to the government's own objective of decentralization by exploring the possibility of arranging for the maintenance base to be retained at Winnipeg, even if this has to be done at the expense of the people of Canada.

All of us from Manitoba would support such a decision. This may make some members feel that a regional position is being taken. In my view this is the case. I believe we are taking a position which is in the interest of Canada as a whole. As I say, this argument has been well developed by the hon. gentleman on my right, so I need not repeat the speech he has made on behalf of all of us from Manitoba. We are interested in various recommendations contained in the report of the Thompson commission. We think something should be done to develop more polar routes from Winnipeg. An effort should be made to get a direct route to Chicago. We welcome the opening of an air cargo base at Winnipeg. But these things do not provide for the employment in Winnipeg of the skilled personnel who are working

there now in connection with the maintenance and overhaul base. This surely comes under the aegis of the minister, namely the development of industry on a parallel basis across the country.

I therefore hope consideration will be given by the entire government, the Minister of Industry, the Minister of Transport and all concerned, to what is involved in this question not only as far as Winnipeg itself is concerned but in relation to the needs and best interests of Canada as a whole. I thank the hon. member for Winnipeg South Centre for making it possible for me to say these things within the compass of two or three minutes. He spoke for all of us from Manitoba.

Mr. Bell (Saint John-Albert): Discussion has ranged out west for a few minutes, and rightly so. I should like to return to the maritimes for a few moments.

I support the remarks made by the two hon. members for Halifax with regard to the exclusion of Dartmouth, Halifax, Saint John and Fredericton from the areas designated under the incentive program. I have had my say on this subject, as the minister knows. I feel it is hopeless to do anything about it now. Perhaps I could take a moment to make a final appeal in the hope that the hon. gentleman will see the light and discontinue this discrimination against these cities in the maritimes.

I think it is significant that another agency, an independent body, the Nova Scotia Voluntary Economic Planning Board, has joined APEX and the Economic Council of Canada in recommending that these cities be included. I challenge the minister to quote any authority which recommends that these cities should not be in the incentive program area. There has been a barrage of criticism for many months in this connection, culminating the other day in the Saint John *Times-Globe* which had this to say on May 19:

> Denial of the incentives is crippling the centres that could lead these provinces in an economic renaissance. Established industries have moved out of these centres to get the aid; potential new ones have been lost. The cities are being bled in the name of healing, and the whole region is weakened.

I make one final appeal to the minister in the closing hours of Friday as he hopes to wind up his estimates. Let him review his thinking and take better advice. Let his department do something, because the only thing he is accomplishing now is spreading poverty around the maritimes.

[Mr. Knowles.]

The Acting Chairman (Mr. Richard): As it is now five o'clock—

Mr. Drury: I wonder whether we might continue for a few minutes, by consent, as we are about to conclude?

Mr. McIntosh: May I call it five o'clock?

[*Translation*]

Mr. Latulippe: Mr. Chairman, may I point out that it is five o'clock?

[*English*]

• (5:00 p.m.)

Mr. Speaker: It being five o'clock, the house will now proceed to a consideration of private members' business as listed on today's order paper, namely private bills and public bills.

Mr. Deachman: I wonder if we could call item 65 on today's order paper, Bill No. C-100, to ascertain whether or not there is unanimous agreement to proceed with that bill today?

Mr. Speaker: Is there agreement that all bills up to item No. 65 on today's order paper will stand, at the request of the government?

Some hon. Members: Agreed.

CANADA ELECTIONS ACT

AMENDMENT TO FACILITATE EXERCISE OF FRANCHISE BY STUDENTS

Mr. Grant Deachman (Vancouver Quadra) moved the second reading of Bill No. C-100, to amend the Canada Elections Act (students' franchise).

He said: Mr. Speaker, the purpose of Bill No. C-100 is to correct an anomaly in the Canada Elections Act which became apparent in a number of constituencies throughout Canada during the last election. Perhaps I could best explain what happened by referring to a commentary by Edmund Morris, of station CHNS Halifax, made on February 5. This is a summary of events which took place as a result of this peculiarity in the Canada Elections Act. I quote:

> In the November 8 election, many students were disfranchised under provisions of the Canada Elections Act, specifically subsection 9 of section 16. It provides that a person not ordinarily resident in a constituency must be duly registered and in attendance at a recognized educational institution on the day the writ of election is issued in order to qualify as an elector in that constituency. Many universities did not start classes last September until after the issue of the writ, the students were not therefore acually "in attendance", and they were therefore disqualified from voting in the electoral

district where they were living where that was other than their home constituency, at the time of the advance polls and on November 8.

Perhaps I might explain what took place in my own constituency in order to clarify the situation. You will recall, Mr. Speaker, that the writ of election was issued on September 8. At this time enumeration began to take place, and most university students had not yet moved into the university towns or into residence at the universities. However, resident students at universities were in residence at the time of the advance poll and were registered at universities when the election actually took place. According to the elections act, however, they should have been resident, registered and in attendance at university when the writ was issued on September 8. They were thus disqualified from voting in that election.

The University of British Columbia is located in my constituency of Vancouver Quadra. Today there are about 15,000 to 16,000 students at that university. I do not know how many of them are qualified to vote, but I would estimate at least 2,500 to 3,500 of those students are 21 and qualified electors. These young Canadians, although 21 years of age and looking forward to voting for the first time, were not able to cast their ballots in that election.

One of the peculiar situations which arose, and which put even more sting into this situation, was the fact that commonwealth students were able to vote. At the University of British Columbia, we have many students from the West Indies, from Africa, from Hong Kong, from India and Pakistan. Under the provisions which qualify a person from the commonwealth as an elector in Canada they were able to vote because they had established a residence in Canada. Most of these students do not go home during the summertime and, in fact, remain in Canada for several years until they complete their education. Under the elections act, they were qualified electors.

We had a situation where some young man or woman from Kamloops, Nelson or Prince George, who was 21 years of age and born in Canada, would go to the University of British Columbia but be unable to vote, while commonwealth students were qualified to vote if resident in that constituency.

Mr. Lambert: May I ask the hon. member a question? Where was the normal place of residence of these commonwealth students? This is one of the difficulties. The comparison between third or fourth year students from the commonwealth and students within the province, is not acceptable.

Mr. Deachman: I think I shall come to some of these points as I move forward. I recognize this to be one of the difficulties. I do not believe the hon. member, or any other hon. member, wants to find Canadian university students who are of voting age when the election takes place and resident in a university, unable to take part in the election, while commonwealth students at the same university are in a position to cast their ballots. I do not believe he wants to see such a provision remaining on the statute books.

The statute now provides that if these students want to vote they have to go home 300 or 500 miles, cast their ballot and come back. This is not a situation which we, as Canadians, want to see in our universities today. The purpose of Bill No C-100, therefore, is to bring about a simple change in the act which will not allow this to happen again. My solution to the problem, I feel, is a relatively simple one. Under subsections 6 and 7 of section 16 of the Canada Elections Act, ministers and teachers may move into a new constituency at any time in the interval between the date of issuance of the writ and polling day and register as voters. It would appear that the student franchise problem is easily solved if this same privilege that is granted to ministers and teachers were extended to students and they were deemed to be residents of the electoral district in which they have temporary residence at the time of the election.

This situation came to light very forcibly in my own constituency where there are so many students, and I know it came to light also in many other areas of Canada. At that time I began to look around for a solution to this problem. One way I found that the question could be approached was through the Chief Electoral Officer. Under section 58(2) of the Canada Elections Act, you may approach the Chief Electoral Officer, if you have been a candidate, with any amendment or suggestion you have respecting the electoral law. I should just like to quote section 58(2) which reads as follows:

• (5:10 p.m.)

Every candidate at any election and every official agent of any candidate has the right to send to the Chief Electoral Officer in writing any complaint he may have to make with respect to the conduct of the election or of any election officer, and to suggest any such changes or improvements in the law as he may consider desirable—

Therefore, Mr. Speaker, taking advantage of that section on November 23, 1965 I wrote to Mr. Nelson Castonguay a letter, the relevant paragraphs of which are as follows:

> Vancouver Quadra is the seat of the University of British Columbia. An estimated 2,000 U.B.C. students lost their votes in this election under the provision of Paragraph 16(9) of the Canada Elections Act because they were not duly registered and in attendance at university when the election writ was issued on September 8, although most were here when the enumerators called during the week of September 20 to register the voters.
>
> Unless this section of the act is amended students at U.B.C. and other educational institutions will continue to be in danger of losing their franchise whenever a September election is called.

In accordance with section 58(2), suggestions made in writing to the Chief Electoral Officer must be included in his report to the Speaker of the House of Commons at the conclusion of the election. Therefore the suggestion I made to him, that an amendment be made in the area of section 16(7) dealing with ministers and teachers, is before the Chief Electoral Officer and—

Miss LaMarsh: There is not one.

Mr. Deachman: The Secretary of State (Miss LaMarsh) has just advised me that there is no Chief Electoral Officer at the moment, but I think this matter will be settled shortly, and I am sure the new electoral officer will have the files before him, with a recommendation from the former Chief Electoral Officer in regard to this matter. In any event, the matter has been put before him, and he is under law compelled to review this question when the matter comes before him.

This is another way in which, in addition to the bill I have presented to the house, an amendment may be brought about to our election laws in order to permit Canadian students 21 years of age and over resident at Canadian universities to exercise their vote. We are in an era when the number of students is increasing very rapidly. These students must never again be disfranchised at an election should they become resident at a university between the issuance of the writ and polling day.

I know that other hon. members in the chamber today who are interested in this problem will want to say something on this matter, but I hope they too will urge that steps be taken, either by the passage of this bill or through amendment of the elections act introduced by the government, to make sure that Canadian students are not again disfranchised in this manner.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, this bill touches on what is, I suppose, the most important right of every Canadian citizen, namely the right to cast his ballot. I certainly support 100 per cent the principle of making sure that every citizen of Canada be given the opportunity to vote. I would also not disfranchise British subjects resident in Canada, particularly if they intend to live here, from exercising their right to vote. However, it seems a strange anomaly that students at university can be deprived of their franchise when resident British subjects at the same university and with the same residential qualifications are able to vote. I think the whole subject of voting in Canada should be reviewed. Students are not the only ones disfranchised through no fault of their own. The Canada Elections Act should be revised in several very important particulars.

For example, I am not at all happy with the treatment given our armed forces. Sometimes when they are transferred from one depot to another at the time of an election either they or their families are put to some considerable trouble and are disfranchised because they do not meet residence qualifications or are unable to qualify to vote at the point where they wish to vote.

Also secrecy of ballots cast needs to be preserved. If we are to change the rules we must ensure that the votes by members of the armed forces cast are indeed secret. I can assure the house, as could any other hon. member who does a little bit of homework, that under the present system whereby our soldiers vote it is easy to ascertain how members of the armed forces have voted.

I should like to see the Canada Elections Act amended, but I am not particularly happy with the present bill before the house. The whole matter of the franchise should come before the appropriate committee who could thrash the matter out. It cannot be done piecemeal. There are many ramifications to the electoral system of Canada which need straightening out, and I think this should all be done at once.

As a way out of this problem I think there is something to be said for adopting the English system of having university representation in parliament. This would get around another problem which arises, which is at what age university students are enfranchised. As has been quite rightly pointed out by the

first speaker, students at university age undergoing training should above all others have qualified and informed opinions; and we need the interest of these young people in parliament. We need, let me say, their advice. They are at the very age when they are thinking about the future of their country, and every effort should be made to make sure that they are enfranchised.

I would go further and suggest that we might take a look at enfranchising any student who has reached the stage of intellectual development at which he takes on himself advanced study courses and the added responsibilities entailed in running the country. We might well make some improvements to the whole electoral system whereby these students could bring a more direct influence to bear upon parliament itself, which perhaps could be done through direct representation. It would then be possible to campaign on the university campus itself, and these young people could take an active part in politics without actually going out on the hustings and taking part in an election campaign at a point perhaps 1,000 miles away from their university.

• (5:20 p.m.)

I think that this representation in the British parliament has always worked very well. I realize there has been considerable argument about the distribution of these university seats. It would perhaps be difficult to decide which university should have the representation in parliament. On the other hand, that might be a way where we could elect three, four, or even half a dozen university students to parliament. They have their own student councils. Their methods of choosing a candidate and of carrying on may not be quite similar to our own methods, but I am sure, bearing in mind their educational level, that they should certainly be consulted. I think that it is an interesting and exciting idea to bring young people into public life, as early in life as possible. We may be able to channel more of our young leaders into the public service, where they are so badly needed.

I think we should take a look, before any changes are made, at the system of prepolling, so that students could vote, perhaps in blocs, in university towns, in that way securing direct representation. Fitness to vote should be based on qualifications to vote. If we allow students the right to change their voting place prior to polling day, we should look at the danger that possibly hundreds, or thousands of those students possibly may be encouraged to change their voting place at the whim of the party in power or at the whim of any group in a position to exert pressure.

I am sure that that sort of thing was in the minds of the legislators when they said that your place of residence would have to be based as of the date of issuance of the writ, in order to prevent such unnatural fluctuations of political power which might be brought about by any change in the rules.

Therefore, what I am saying is that we would be hasty in passing any amendment like this without first giving it very careful consideration. I think it would be most unwise to pass a private member's bill in the house after consideration of it for somewhat less than one hour. By all means, we should make sure that every student in Canada has the right to his franchise. However, I think this matter should go before an appropriate committee. We should not rush into hasty legislation in this manner, because it might do more harm than good.

Mr. Barry Mather (New Westminster): Mr. Speaker, as we welcome the introduction of Bill C-100, and would like it to come to a vote, I shall be extremely brief in my remarks.

We think that this bill shows a move in the right direction. As the sponsor of the bill has said, it aims at the correction of an anomaly, and at the removal of an oversight existing in the electoral regulations.

In those regulations, through what is an outmoded technicality, we have been debarring a great many young Canadians from doing what we in this house and what their parents would like them to be doing, which is taking an intelligent interest in Canadian political affairs and casting their votes.

We think that this residential qualification regulation which debars students in certain elections from voting is a very artificial regulation, when one thinks of the very good reasons on the other side of the argument for encouraging young Canadians to cast their ballots. In brief, we think this bill is a step in the right direction.

Having said that, may I point out an even worse anomaly regarding voting in federal elections. If it is true, and it is, that many hundreds or perhaps thousands of university students are debarred from voting because of this technicality respecting residence, many

many more Canadians are virtually disfranchised because of the present regulations. We have industrial workers in this country in that category. In British Columbia we have thousands of loggers, thousands of fishermen and many others who, in many federal elections, because of having been absent from their homes, either on the fishing grounds, or logging camps, or elsewhere, have in fact lost their votes. Many of these people are forced to leave their homes before the advance poll is taken, which, as we know, is taken but a few days before the actual poll.

It is almost impossible for any such fishermen, loggers or others in that category to cast a vote for or against a candidate in their home ridings. We think this is wrong. While we support and would like to vote for the bill introduced by the hon. member for Vancouver Quadra (Mr. Deachman), we want to take this chance to urge the elections committee of this house to take a look at the present elections act with a view to securing, as far as is possible, a vote for the absentee voter in federal elections, and to take care of the situation that exists in British Columbia.

Without more ado, I take my seat in the house, with the assurance that if this measure will come to a vote, we shall support it.

Mr. Hugh Faulkner (Peterborough): Mr. Speaker, I want to speak briefly about this bill, which in principle I support. I had in Peterborough the same experience the hon. member for Vancouver Quadra had in his riding. I remember trying to arrange for students who normally were resident in Peterborough, but who were attending Queen's, or the University of Toronto, or Carleton, or were in the Windsor area, to come back to Peterborough to vote. It was difficult to explain to students who were caught up in a political science class, and who were told by their professors of the importance of the right to vote and of its importance to democratic society, why, on the first occasion they could exercise this franchise, because of some technicality in the law, they were denied the opportunity to do so. For this reason I support the bill presented by my distinguished colleague, the hon. member for Vancouver Quadra.

This bill deals with a specific problem in an act which is plagued with anomalies. The hon. member who has just taken his seat cited examples I had not heard mentioned before, probably because the industries affected are not major industries in my area.

[Mr. Mather.]

It has been pointed out before, and should be no surprise to members of this house, that this act is plagued by all sorts of anomalies. I think therefore it is imperative for the totality of the act to be referred to the committee on privileges and elections for discussion.

This bill provides a solution to a particular problem, but other problems are posed by this solution. For instance, this bill does not deal with the question of voting age, and whether it should not be lowered to 18. I have supported the view that the voting age ought to be 18.

Another problem posed by this particular bill deals with the concentration of floating voters that will arise in certain areas. The University of Toronto in itself, if the students were able to co-ordinate their activities, would probably be in a position to determine who their member of parliament was going to be. Realizing that the same applies to McGill, as a graduate of that university I think that would be deplorable. There is the technical problem of a concentration of floating voters in a particular area and their possible influence on an election.

• (5:30 p.m.)

There is one anomaly about which I feel very strongly. I refer to the deplorable situation of persons in hospitals and nursing homes who are not able to get out and vote and who thus lose their franchise. I remember very well during the last two elections visiting hospital patients and how depressed they were that they did not have the opportunity to vote. It is for this reason I suggest that though the principle of the bill is sound, the whole general area needs to be revamped. In my view the bill should be referred to the committee on privileges and elections where the problem could be dealt with in toto and not on a piecemeal basis.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I wish to say on behalf of this party that we are in favour of the amendment proposed by Bill C-100. It is correcting a problem that manifested itself last autumn because of the date on which the election was held. Serious injustices resulted because of the date and so we are in favour of taking this small step forward to correct the problem.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have some sympathy for the motive of the sponsor of the bill because I realize that in the last election a

number of university students were unable to vote without it costing them great time and expense, because their homes were some distance from the universities they attended. However, I feel the problem was overmagnified, and a great deal more emotion was expressed over it than it really warranted, especially when we consider the number of other people who, for one reason or other, are temporarily disfranchised. Further, in a university city or town there will always be a large proportion of the students over 21 already resident, and therefore not affected by the problem of transferring their temporary residences. Also, the problem only arises during a period of about five or six weeks in the year.

The hon. member for Vancouver Quadra (Mr. Deachman) did not speak about the university summer sessions which are an entirely different kettle of fish. These are usually of six weeks duration, and I would say almost 98 per cent of the students attending them are over 21. Therefore the incidence of application is much greater in their case.

Let us examine what happened on November 8 as a result of the writ being issued on September 8: Some faculties were already in residence. Also, a number of universities co-operated by organizing buses which carried students to their homes at no cost to themselves, and with an arrangement not to hold examinations on the days in question. Generally the problem was coped with by university authorities as best they could.

Of the proportion of students who were affected, now many would have voted in any event? I do not suppose there would be any greater proportion than the proportion of students who were already resident, who had the right to vote, and who cast ballots. In some constituencies this did not amount to more than 60 per cent or 65 per cent—something which is to be regretted, but this is one of the facts of life. I agree there should be no artificial barrier to any person who wishes to exercise his franchise, but I point out that there are other people who must be absent from their home constituencies by reason of work and who cannot vote at the advanced polls. We accept that as a fact of life.

We have not yet established the mail ballot. That may be the answer which the committee on the elections act may recommend, but in this instance we should be careful that we do not create a greater problem than the one which the bill seeks to correct.

The sponsor of the bill and the hon. member for Peterborough (Mr. Faulkner) pointed out that in some constituencies at a certain time of the year, particularly if the voting age were lowered to 18, a floating, temporary population of considerable size would be created, something which none of the constituency boundary commissions have taken into account, and these people would have an inordinate bearing on the outcome of elections.

• (5:40 p.m.)

If it is wrong for the armed services to vote en masse in a constituency in which they are stationed, then certainly the same principle applies to a non-permanent resident student. Certainly it would be a lot simpler, from an administrative point of view, if the armed services could vote from wherever they were stationed in Canada. I am not talking about those who are abroad. So there is that particular problem.

As to the other classes of people who may be disfranchised, what about the paraplegics? There are very few polling stations which will accommodate a person who is in a wheelchair. These polling stations are located in schools, in community homes, and what have you. In my own constituency in Edmonton we have a situation which is very good in so far as something like 20 per cent of the polls are concerned. A polling station is established in the new rehabilitation centre where there are ramps built which can accommodate wheelchairs and these facilities which are used in the Callow buses or Volkswagen buses which are provided by the transportation companies for the handling of paraplegic cases. Therefore, the advance poll is set up there, and these persons can vote at this centre, at the advance pool, when you have all the time in the world to handle these particular people who do require more time.

I would say that a much more humanitarian and effective way would be to amend the act to provide that any person who is a paraplegic or any person who by reason of age or infirmity is confined to a wheelchair may vote at any advance poll, and particularly at an advance poll which is capable of handling wheelchairs. This is only one category, and I cite it merely to show that university students are not the only ones who might be adversely affected. In the last election, through a request directed to the chief returning officer of Canada, and through my own returning officer, I was able to arrange

to have voluntary patients in a mental hospital vote. It was surprising the number who did avail themselves of the opportunity to get on the voters list by having a certificate from the chief medical superintendent. I held a political meeting there. It was an exercise in therapy for them and a novel experience for me. It was a very intelligent meeting. Persons who are voluntary patients in mental hospitals are not persons who are lacking in mental appreciation. As a matter of fact I would say that the standard there is much higher than it is in many nursing homes where we deal with persons of very advanced years who are suffering from senility and other infirmities.

On the face of it my view is that we should not accept the proposal of the hon. member. There are too many difficulties involved. Remember this: An amendment to the Canada Elections Act applies in every part of the country. If the same standards or conditions apply in all parts of the country, fine; but we know it is a fact of life that the same standards do not apply in all communities. The same thing applies with regard to hospital voting. In the provincial elections in my province, aand in the civic elections, there is voting in the hospitals. If there is a polling station within a hospital, an alert political organization can vote a great number of those people who are ambulatory patients. This depends upon whether they will go into the hospital and find out which patient can get to the polling station. There are ways and means to have them transferred; it is quite simple. In the elections in the province of Alberta we experienced no difficulty in having the patients in all categories in the general hospitals vote. That is all right, depending upon the number of constituencies. The problem is whether you can sort these votes out.

Provided you are satisfied that this will not be used as a means to suborn an election, I am sure it can be done; in other words, if you are satisfied that it will not be used as a means to materially affect the election result by the use of false ballots or by the substitution of ballot boxes. All these opportunities can arise. Every time you open up and handle a ballot box, unfortunately you create an opportunity for certain persons who are unscrupulous enough to try something to affect the honest result of an election. That is another consideration.

I would prefer to see the subject matter of this bill referred to the next committee of this house which may sit to deal with the problems of the Canada Elections Act. There will be an opportunity when we have the report about election expenses and so on. I think this is a related subject. Certainly I would agree that we should not have to amend the Canada Elections Act piecemeal. There are points which I, and undoubtedly others, will raise to show that there are anomalies contained in the act. These should be dealt with at the same time.

[Mr. Lambert.]

Mr. Deachman: Mr. Speaker, would the hon. member not agree that in a country where increasing numbers of people are travelling and moving about the country because we are becoming that kind of a country, through mobility and so on, and where people are going to universities, that we have to accommodate the voting public. The way to do that is not by putting aside the Canada Elections Act because we find it difficult to accommodate the student and the man who moves from job to job, or the person who travels, because this is the kind of Canada we are going to have to live in.

Mr. Lambert: Mr. Speaker, I will reply to that. There are limitations. I will stand corrected, but I believe that in the province of Saskatchewan where they did have a mail ballot they have had problems because the result could not be declared for three weeks. Surely one of the desired qualities of an election is to get an early result. We know that when the government of Premier Lloyd was eventually voted out of office, the matter hung in abeyance for three weeks while they were collecting and counting the mail ballots.

There are two sides to every question. In this case I do not know that the advantages necessarily are all on the one side.

• (5:50 p.m.)

Mr. Olson: Mr. Speaker, I should just like to ask the hon. member whether he does not agree that it is also a fact of life that these so-called floating votes made by university students would be nailed down in the constituencies where the universities are located if the writs are issued between October and April?

Mr. Lambert: Yes, but the student has an option. Under the proposed amendment he can vote either at the university or at his home poll. As a matter of fact, he has greater flexibility than the average voter who is pinned down to his own poll.

Mr. Olson: The apprehensions of your program break down.

Mr. Douglas: May I ask the hon. member a question? Would he agree that the inconvenience of having to wait even two or three weeks while the absentee ballots were counted represents much less of a hardship than disfranchising thousands of workers in construction camps and other people who have to travel around the country?

Mr. Lambert: As I indicated, I think this problem is over emphasized when you consider the realities regarding the number of individuals who actually do not get back to vote and the number who actually avail themselves of the opportunity.

Mr. Cashin: That is a typical Tory attitude.

Mr. Lambert: I think as far as the hon. member from Newfoundland is concerned, a great deal more effort is made in my area to get the people out to vote than is made in his.

Mr. Cashin: Mr. Speaker, I rise on a question of privilege. In my constituency one does not have to make the same effort to get the people to vote as in the hon. member's area because the people are genuinely interested as a result of their superior calibre.

Mr. Bigg: Why do you not make a speech?

Mr. Cashin: I will.

Mr. Lambert: Mr. Speaker, had the hon. member been in his seat when I made my speech he would realize that I agree that the problem is not a simple one. My purpose in rising was to point out some of the problems involved and why the committee on the Canada Elections Act should study all aspects of the situation instead of just sitting down to look at it for three quarters of an hour and then passing the whole thing.

Mr. J. B. Stewart (Antigonish-Guysborough): Mr. Speaker, perhaps the hon. member for St. John's West (Mr. Cashin) would not applaud if he knew I am going to take what he would undoubtedly describe as a typical Tory attitude to the bill now before the house.

I think those things the hon. member for Edmonton West (Mr. Lambert) has cautioned us about are really quite relevant. Grave difficulties are involved.

Some hon. Members: Shame, shame.

Mr. Stewart: I must say to those members of the N.D.P. who are exclaiming, that there are some of us in this house who would like to see the business of the country conducted in an orderly way, particularly at election times.

I should like to say in relation to the typical non-Tory attitude taken by the hon. member for Athabasca (Mr. Bigg), when he proposed that new university seats should be authorized under the Canada Elections Act, that this would not be a good change or one that could be regarded as progressive.

University seats had their origin in the Middle Ages when universities were regarded as one of the classes of corporations in law which ought to be represented. The boroughs were another of those classes. I think it is now generally agreed, especially in the universities, that the restoration of a privileged class of voter represented by a special type of seat would not be desirable. I am sure that on reflection the committee on privileges and elections would come to that conclusion.

The hon. member for Edmonton West was insistent that a clarification in the Canada Elections Act concerning one's place of ordinary residence is important. I believe he is absolutely correct. There is no doubt about it that people proposing to vote in an election ought to know whether in law they are qualified; and consequently anything that makes it difficult for them to ascertain whether or not in law they are qualified is undesirable.

Ordinary residence is no mere technicality of the law, to use an expression that came from this side of the house. This is a very important ingredient of the electoral process. I should like to see this problem solved in so far as students are concerned, and in so far as industrial workers and other such persons who have to move around the country are concerned. This a problem that has to be confronted and not one that can be simply dismissed as a mere technicality of the law.

If we look at the bill now before us, sponsored by my hon. friend the member for Vancouver Quadra (Mr. Deachman), we will see that it comes far short of specifying the regulations which govern qualification. The bill says that a person who, being a student, is duly registered in a university may qualify. What does that mean? Does it mean he is duly registered if he attends one course, perhaps during the evening program at a university? I think there are at least two or three interpretations of that expression that

can be made. If we are going to have any law in regard to this important point it has to be perfectly clear what is meant by a student who is registered.

The bill goes on to refer to a recognized educational institution. There might be various criteria by which one could decide what kind of institution should be regarded as a recognized educational institution. In order that the bill should be better, it should set forth the tests defining what is a recognized educational institution.

There is another point in the hon. member's bill which seems somewhat defective. The hon. member talks about a student who is duly registered and in attendance at a recognized educational institution, but he does not go on directly to say that the institution must be in a constituency in which the student is not ordinarily resident. This is implied by a later part of his proposed amendment; but it should be perfectly clear that this would apply only in the case of a student engaged in a full-time program of study at a properly defined university.

Mr. Speaker: Order, please. I regret to advise the hon. member that the hour for consideration of private members' business has now expired.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, will someone on the government side who is authorized to do so let us know about the business of the house for Tuesday?

Mr. Drury: Mr. Speaker, the government house leader indicated the business of the house last night as it is reported in *Hansard* at page 5352. I now confirm what he said then.

Mr. Speaker: It being six o'clock this house stands adjourned until 2.30 o'clock in the afternoon of Tuesday next, pursuant to standing order 2(4).

At six o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in Committee of Supply this day:]

POST OFFICE DEPARTMENT

1. Postal services including Canada's share of the upkeep of the International Bureaux at Berne and Montevideo, $252,804,000.

HOUSE OF COMMONS

Tuesday, May 24, 1966

The house met at 2.30 p.m.

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

CONCURRENCE IN EIGHTH REPORT OF STANDING COMMITTEE

Mr. Gérard Pelletier (Hochelaga) moved that the eighth report of the standing committee on broadcasting, films and assistance to the arts presented to the house on Friday, May 20, be concurred in.

[*Translation*]

Mr. Grégoire: On division.

[*English*]

Motion agreed to on division.

NATIONAL ARTS CENTRE

ESTABLISHMENT OF CORPORATION FOR ADMINISTRATION AND OPERATION

Hon. Judy V. LaMarsh (Secretary of State) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to establish a corporation for the administration of the national arts centre to operate and maintain the centre, to develop the performing arts in the national capital region and to assist the Canada Council in the development of the performing arts elsewhere in Canada; to provide for the remuneration of certain members of the board and the expenses of all members, for the appointment and salary of a director of the centre, for the employment of officers, employees, technical and professional advisers and their remuneration; and to provide also for certain other matters incidental to the administration of the act.

Motion agreed to.

CANADIAN FILM DEVELOPMENT CORPORATION

PROVISION FOR DEVELOPMENT OF FEATURE FILM INDUSTRY

Hon. Judy V. LaMarsh (Secretary of State) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

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

Motion agreed to.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO REPORT OF MEDIATOR

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister indicate whether a report by Mr. Stuart Keate on C.B.C. matters has come to his attention? Some reference has been made today to the effect that this report has been sent to him, to the producers and, I think, one other group. Would the Prime Minister also tell us whether it will be tabled in the house when it is received so that members of the house, having taken an interest in this matter, may have some idea as to the suggestions made by Mr. Keate.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have not yet received the report. I telephoned Mr. Keate Sunday to ask when he would be likely to send it, and I was informed that he would be sending it to reach me, he hoped, tomorrow or the next day. I understand from more recent information that it is in the mail and I expect to receive it later this evening or tomorrow morning. As soon as I receive it I will then know what disposition to make of it.

Inquiries of the Ministry

CANADA DEVELOPMENT CORPORATION

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in view of the growing and somewhat belated interest on the part of cabinet ministers over the increasing control of the Canadian economy by foreign investors, may I ask the Minister of Finance when he expects to bring down the legislation to set up the Canada Development Corporation.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am not yet in a position to forecast the time, but it will be during this session.

Mr. Douglas: A supplementary question, Mr. Speaker. In view of the fact that the legislation was ready for the last session and notice had been given of it, could I ask the minister what is the reason for the delay?

Mr. Sharp: There are questions of priority; and I have also said publicly that we are restudying the provisions of the legislation to put it in the form best suited to Canada's needs.

BANK ACT

INQUIRY AS TO INTRODUCTION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I have a related question. I should like to ask the Minister of Finance when the amendments to the Bank Act will be presented to the house.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I answered that question the other day. I have nothing further to add.

Mr. Winkler: A supplementary question, Mr. Speaker. In regard to this question the minister's answer last week was "soon". Will it be this week?

Mr. Speaker: Order, please. I suggest that the hon. member's question was asked and answered last week.

[*Translation*]

EXTERNAL AFFAIRS

VIET NAM—REQUEST FOR STATEMENT ON PRESENT SITUATION

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs.

[Mr. Pearson.]

In view of the rather confused or alarming situation which now exists in South Viet Nam, would the government or the minister have some report to make to the House of Commons about the role which Canada is playing to improve the present situation?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, as the hon. member knows, Canada has always thought that the Control Commission should be entrusted with the task of promoting negotiations.

I can assure the hon. member that with the approval of the Secretary General of the United Nations, the President of the United States, the South Vietnamese government and, I hope, with the co-operation of the North Vietnamese government, I trust that those efforts will be successful. In any case, the government is doing all it can, with India and Poland, members of the commission, to find out if the commission can play a part in this matter.

[*English*]

[*Later:*]

Mr. Terence Nugent (Edmonton-Strathcona): I have a question for the Secretary of State for External Affairs supplementary to the question asked by the hon. member for Villeneuve. I should preface my question by saying that I think something must have been lost in translation, because I was not able to hear the answer to the question asked by the hon. member for Villeneuve.

Will the minister assure me that when I read the English translation of *Hansard* tomorrow I shall find an answer there to the question which has been asked?

Mr. Speaker: Order, please.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Order, please.

NATO—COMMUNICATION RESPECTING MINISTERIAL COUNCIL MEETING

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the right hon. Prime Minister. Could the Prime Minister tell us whether there has been communication with the Chancellor of Germany and the Prime Minister of Great Britain with regard to their very important four point program respecting NATO which was announced over the week end, and particularly in relation to the ministerial council which will be meeting in just a week or two?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there have been continuing exchanges with the two government leaders mentioned by my hon. friend, and other NATO governments, on the NATO situation arising out of the initiative taken by President de Gaulle some weeks ago, and this will be a major subject of discussion at the NATO ministerial meeting which will be held shortly.

TRANSPORT

ST. LAWRENCE SEAWAY—HEARINGS ON PROPOSED TOLL INCREASES

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): On Friday, Mr. Speaker, the Minister of Transport raised a point of privilege during his reply to my question, and you subsequently ruled it out of order. His point of privilege arose in connection with an explanation he gave concerning tolls on the St. Lawrence seaway.

In view of the confusion he left may I now direct a question to the Prime Minister. In view of the fact that tomorrow is the last day on which submissions can be given to the Board of Transport Commissioners concerning the increase of tolls on the St. Lawrence seaway, and in view of the fact these increases may be granted, will the Prime Minister assure us the house will have a chance to debate these increases in tolls before they are granted?

Mr. Speaker: Order. This question is the same as that which was asked last week, and cannot be put at this time.

TRADE

MAINLAND CHINA—POSSIBLE ESTABLISHMENT OF OFFICE IN CANADA

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): I have a question for the Minister of Trade and Commerce. In view of the present indications from the United States administration that they are moving toward allowing United States citizens to trade with mainland China, is the government of Canada considering inviting China to set up an unofficial trade office in Canada similar to those which exist in other countries?

Hon. Robert Winters (Minister of Trade and Commerce): I think perhaps that question should be more appropriately directed to my colleague the Secretary of State for External Affairs.

Mr. Hamilton: I so direct it, Mr. Speaker.

Mr. Churchill: You can't bring in the International Control Commission on this one.

Hon. Paul Martin (Secretary of State for External Affairs): This question is obviously one that would have to be considered along with the primary question of the relationship between Canada and mainland China. It would have to be considered in the light of our policy about China's admission to the United Nations and the recognition by Canada of the regime in China.

HEALTH AND WELFARE

MEDICARE—BASIS OF FEDERAL CONTRIBUTION TO PROVINCES

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): I should like to address a question to the Minister of National Health and Welfare, and in his absence I direct it to his parliamentary secretary. I have given notice of this question which is based on the announcement made by the minister. Will the federal government be contributing on the basis of the national average cost or on the basis of the actual cost in each province?

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): May I take the question as notice, Mr. Speaker.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question which is most appropriate to the Secretary of State for External Affairs and I expect a definitive answer. In view of the fact that Arnold C. Smith, who is Secretary General of the commonwealth secretariat is reported in the Toronto *Globe and Mail* of Monday, May 23 as saying in a speech delivered at Queen's University convocation that governing is more and more rooted in the expert adviser rather than the politician, can the minister inform the house if this statement implies that the functions of members of parliament will become of less and less importance in government?

Mr. Speaker: I see a number of things that are wrong with this question, but I may say it appears to be hypothetical.

Inquiries of the Ministry

AIR CANADA

INQUIRY AS TO THREATENED STRIKE OF EMPLOYEES

On the orders of the day:

Mr. Barry Mather (New Westminster): Earlier today I sent the Minister of Transport notice of my question, but in his absence I shall direct it to his parliamentary secretary and he can take it as notice. Having in mind the threatened strike which may affect Air Canada as a result of the failure of the Canadian Airlines Employees Association and Air Canada management to settle the wage issue, is the minister or his assistant in touch with this situation? Can he make a statement outlining what is involved? It is a national question, I think, Mr. Speaker.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): I wish to thank the hon. member for having given notice of this question. The question substantially answers itself, since the matter of wages is involved. However, the hon. member seems to require a more detailed answer, and I can assure him that this will be forthcoming tomorrow.

PARLIAMENT BUILDINGS

CONGRATULATIONS TO SECURITY STAFF ON HANDLING OF VISITORS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I wish to direct a question to the government house leader. It is not a question I can place on the order paper; therefore I will put it to the house leader.

In view of the fact that I had the honour to be on Parliament Hill on Saturday, Sunday and Monday, when the security staff handled some 25,000 visitors, 12,000 on the Sunday alone, would the government house leader advise me how I can express my own personal appreciation to the security staff, as well as, I am sure, the appreciation of all members of the house?

Some hon. members: Hear, hear.

PUBLIC WORKS

OTTAWA—REQUEST FOR RECONSIDERATION OF DEFERRED PROJECTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would direct a question to the Minister of Public Works and ask him whether, in view of reported lay-offs in construction in the city of Ottawa and municipalities adjacent thereto, the government will consider restoring some of the deferred public works projects, and in particular the National Museum?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I am very glad to deal with this question. The representatives of the industry, as appeared in the article in the paper on Saturday, had asked me for an interview and I advised them on Friday that I would be glad to see them. Only a few minutes ago they called and asked if the meeting could be postponed until next week.

I might say, Mr. Speaker, that I am happy to advise that the figures for the construction industry show that there is less unemployment than last year, but in any event I am following the situation very closely and am going to meet with the men who raised the matter.

Mr. Diefenbaker: Is the minister giving consideration to the immediate reinstatement of the National Museum as a public works project, rather than having it deferred?

Mr. McIlraith: We are giving consideration, if necessary, to the reinstatement of any new buildings, but I do not want to single out one building from the others at the moment.

[*Later:*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Public Works. In view of the importance of the National Museum to Canada's centennial celebrations, would the minister, in his discussions this afternoon with representatives of the Ottawa construction industry, not give priority to reinstatement of the museum project?

Mr. Speaker: Order, please. I wonder if this is not essentially the same question asked some moments ago by the right hon. Leader of the Opposition.

TRADE

CANADA-WEST INDIES—STEPS TO BRING ABOUT IMPROVEMENT

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. In view of the strong indications that the federal government is ready to back maritime businessmen in their efforts to expand trade between the maritimes and the West Indies, would the

Prime Minister indicate the type of specific program he is planning to introduce which will improve Canadian and West Indies trade, and when we may expect legislation to be introduced which will foster more fruitful relations with the Caribbean?

Mr. Speaker: Order. This question is of very general nature and I do not think it can be asked in this way at this time.

[*Later:*]

Mr. Crouse: Mr. Speaker, may I direct a further question to the Prime Minister. Will the Prime Minister confirm that a July top level meeting will be held between Canada and the West Indies governments? If so, when and where will such meetings be held, and what countries in the West Indies will be invited to participate?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, a meeting is to be held in the first week of July. I hope that as soon as the agenda is finally determined as a result of consultation among all the governments concerned, I shall be able to make a statement in the house regarding the conference and the agenda.

Mr. Thomas M. Bell (Saint John-Albert): A supplementary question, Mr. Speaker. In order to strengthen this meeting, will the Prime Minister not say that this is to be a serious meeting, and one that will not result in the criticisms made in Halifax regarding the meeting attended by the trade and commerce—

Mr. Speaker: Order, please. This question is argumentative.

Mr. Bell (Saint John-Albert): I just wanted to point out, Mr. Speaker—

Mr. Speaker: Order, please.

HIDES—REQUEST FOR EXPORT CONTROL

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I wish to address a question to the Minister of Trade and Commerce. In view of the already high prices of shoes and the predicted further increases in the prices of those articles to Canadian consumers, has the minister given any thought to the control of the export of hides?

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

Inquiries of the Ministry

NATIONAL DEFENCE

QUEBEC—R.O.T.P. SERVICE BY STUDENT PRESIDENT

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Minister of National Defence. I want to ask the minister why the R.O.T.P. program is so inflexible that it cannot adapt itself to the fact that one of its officers has been elected president of U.G.E.Q. but has been told that he cannot complete his term of office.

Mr. Speaker: Order. This question is argumentative.

Mr. Fairweather: Ten o'clock, Mr. Speaker.

EDUCATION

REPORTED ESTABLISHMENT OF OFFICE FOR FEDERAL AID

On the orders of the day:

Mrs. Jean Wadds (Grenville-Dundas): Mr. Speaker, I have a question for the Secretary of State. As one who has always stressed the need for more planned and organized federal assistance to education, I would ask the minister whether the announcement in Saturday's Ottawa *Citizen* is correct, that without fanfare a federal office for aid to education has been formed; and what is meant by "thus making facilities and people available when programs require them?"

Mr. Speaker: Order. I am sure the hon. member will recognize that she cannot ask whether a press report is correct. Certainly this matter is of very general nature, and the question cannot be asked now.

[*Later:*]

Mr. S. J. Enns (Portage-Neepawa): A question for the Secretary of State relating to education, and supplementary to that asked by the hon. member for Grenville-Dundas. Has a federal bureau of investigation been established and, if so, how is it staffed?

Hon. Judy V. LaMarsh (Secretary of State): If there is a federal bureau of investigation the Secretary of State has nothing to do with it.

Mr. Enns: I inadvertently used the word "investigation" instead of "education" when I addressed my question to the Secretary of State. My question should have been simply, is there a federal office of education and, if so, how is it staffed?

Inquiries of the Ministry

Mr. Speaker: Order. It appears we are having difficulty with questions relating to education this afternoon. I do not think the question is of such an urgent character as to be allowed at this time.

Mr. Enns: It is of general interest, Mr. Speaker.

[*Later:*]

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, my question is directed to the Minister of Finance. Would the minister inform the house whether responsibility for university grants comes under his department or under the Secretary of State.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have just confirmed that my colleague the Secretary of State has accepted the responsibility.

INQUIRY AS TO ABOLITION OF UNIVERSITY FEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the Prime Minister. In view of the statement made on Friday night in an address by the Minister of National Health and Welfare, to the effect that in Canada we are getting closer to the abolition of tuition fees in universities, will the Prime Minister say what steps the government is taking in this direction?

Mr. Speaker: It seems to me that this question is closely related to the one which was asked by the hon. member for Grenville-Dundas, and I would feel very guilty if it were allowed while the other was refused.

Mr. Knowles: If it is related it will also have to be dealt with at ten o'clock.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

SUGGESTED ESTABLISHMENT OF OFFICE OF INFORMATION

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Prime Minister.

In view of the publicity and propaganda being made in the province of Quebec at this time to the effect that Ottawa is hurting the development of the province of Quebec and other provinces, and is encroaching upon provincial rights, particularly upon those of the province of Quebec, is it the intention of the Prime Minister and of the government to set up an education board to enlighten the population of Quebec and that of the other provinces and counteract such anti-Canadian, anti-social publicity which is currently going on in Canada?

Mr. Speaker: May I suggest to the hon. member that this is a question of very general interest and that he should have it placed on the order paper.

Mr. Caouette: I shall bring up this question at ten o'clock.

[*English*]

EXTERNAL AFFAIRS

REPRESENTATIONS TO FRANCE AND CHINA RESPECTING NUCLEAR TESTS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Have representations been made to the government of France concerning the forthcoming nuclear tests by that country? Second, were representations made to the government of China concerning its recent tests? I realize how difficult such a representation would be, since we do not recognize that government.

Hon. Paul Martin (Secretary of State for External Affairs): With regard to the last portion of the question, I have already indicated that the government of Canada had stated that it was regrettable that mainland China had not joined the nuclear test ban treaty, which prohibits tests in three of the environments. The same declaration, to which most nations have committed themselves in the nuclear test ban treaty, would apply, of course, to any other country that engages in tests which we believe should be barred.

RHODESIA—REQUEST FOR REPORT ON CURRENT TALKS

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I have a question for the Secretary of State for External Affairs. Can the minister now report to the house on the discussions which have been taking place between officials from Rhodesia and officials from the United Kingdom with regard to the dispute between the two countries?

Hon. Paul Martin (Secretary of State for External Affairs): The exploratory talks in

London have concluded and the parties to the discussions have agreed that following a period of further reflection and consultation they may meet in another place.

PENITENTIARIES

REQUEST FOR APPOINTMENT OF FEMALE DEPUTY COMMISSIONER

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): I wish to direct a question to the Solicitor General. In view of the concern expressed during the week end by the Elizabeth Fry Society over the recent appointment of a male acting superintendent of the Kingston prison for women, will the minister not give consideration to the appointment of a female deputy commissioner within the penitentiary system?

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

FISHERIES

B.C. SALMON—REPORTED STATEMENTS RESPECTING HIGH SEAS FISHING

On the orders of the day:

Mr. Frank Howard (Skeena): I wish to direct a question to the hon. member for Grand Falls-White Bay-Labrador in his capacity as parliamentary secretary to the Minister of Fisheries. Perhaps he could take it as notice and have the minister reply on his return. My question is based partly upon the statement the Minister of Fisheries made on Friday last and partly upon a press release from the department itself.

The Minister of Fisheries stated as reported at page 5358 of *Hansard:*

> At the same time I wish to make clear that the Canadian government has no intention of authorizing salmon net fishing on the high seas.

A press release emanating from Vancouver on the very same day indicated that Canada gave an assurance that unrestricted high seas fishing by Canadian fishermen would not be permitted. Would the minister clear up these contradictions, including the fact that the word "unrestricted" is missing from the minister's statement in the house, which makes all the difference in the world?

Mr. C. R. Granger (Parliamentary Secretary to Minister of Fisheries): May I take that question as notice.

Inquiries of the Ministry

INDUSTRY

BEAVERTON, ONT.—CLOSING OF AUTO PARTS PLANT

On the orders of the day:

Mr. W. C. Scott (Victoria (Ont.)): I wish to address a question to the Minister of Citizenship and Immigration in connection with manpower. Would the minister inform the house whether he has received a telegram from a Mr. Benson, international representative of the United Automobile Workers, in respect to the shutdown of Lake Simcoe Industries at Beaverton, Ontario; and if so, what action will be taken to alleviate the serious situation set out in the telegram?

Mr. Speaker: I doubt whether this is a question of general interest. The hon. member might communicate directly with the minister or, if he thinks the matter is urgent, he might debate it at ten o'clock.

Mr. Scott (Victoria (Ont.)): Ten o'clock, Mr. Speaker.

HOUSE OF COMMONS

CONSIDERATION BY MEMBERS OF FURTHER SECURITY MEASURES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): My question is directed to the Prime Minister. It has to do with the discussions which are taking place and press reports which are appearing in connection with added security in parliament. I ask the Prime Minister whether any measures taken in this regard should not first be considered by the members of parliament, because history has shown that a multiplicity of defensive or protective measures is often an incitement to violence. Instead of proceeding to build a lot of security around this place I would think through discussion members could come to a decision which would not place Canadian statesmen or politicians in the position of those in certain other countries, where the measures taken are an invitation to prospective wrongdoers.

Right Hon. L. B. Pearson (Prime Minister): I quite agree with what the right hon. gentleman has just said. I should hope that any measures which may be suggested would be discussed with the House of Commons before action is taken. I do not think there is any danger of the kind of precipitate and extravagant action being taken for our security which would interfere with the rights of the Canadian people to attend sittings of the

House of Commons and visit the parliament buildings. I am sure any suggestions which might be made would take this into account, and that this matter would be discussed with the house.

[*Translation*]

HOUSING

HULL, QUE.—REQUEST FOR RELAXATION OF RESTRICTIONS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I put a question to the hon. Minister of Finance?

Further to letters I have received, and those the Minister of Finance has doubtless received, to the effect that the housing industry in the Hull area has been severely affected by the recent restrictions on credit imposed by Central Mortgage and Housing Corporation, does the minister intend to announce in the near future a change of policy with regard to C.M.H.C. loans or credit?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): The policy of the Central Mortgage and Housing Corporation was set forth fully by my colleague the Minister of Labour. I really have nothing to add to what he said.

[*Translation*]

Mr. Caouette: Mr. Speaker, may I ask a supplementary question?

Would it be possible for the Minister of Finance to meet the Minister of Labour (Mr. Nicholson) so they could agree to let the Central Mortgage and Housing Corporation be a little more generous in its dealings with those who need credit?

Mr. Speaker: The hon. member is now putting forth an argument.

[*English*]

LABOUR CONDITIONS

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

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to address a question to the Minister of Labour. Yesterday was a holiday, Victoria day, and in the province of British Columbia at six major ports longshoremen did not work, regardless of a court injunction, because they maintained they were not required to work on that day under the labour standards legislation. May I ask whether the minister is conducting an investigation to try to prevent the recurrence of such circumstances?

Mr. Speaker: I doubt whether this is extremely urgent. I suggest the question be placed upon the order paper.

[*Later:*]

Mr. T. C. Douglas (Burnaby-Coquitlam): On Thursday and Friday last I asked questions of the Minister of Labour but unfortunately he was unable to be present. Those questions had to do with the inability of the longshoremen's union at Vancouver to get full benefit from the Canada labour code. I wonder whether the minister is now in a position to answer the questions or make any report on the case I raised last Thursday and Friday.

Hon. J. R. Nicholson (Minister of Labour): I understood that an answer was given to the hon. gentleman by my office this morning. A telegram was received last week complaining against resort to the courts to compel people to work on Monday the 23rd which was a holiday. The answer to that telegram was that the Department of Labour does not intervene in disputes of that kind before the courts.

I may say that my department is giving consideration to the fact that such a circumstance has arisen and that a dispute of this nature has ended in the courts. I hope a solution will be found which will prevent a recurrence in the future.

Mr. Douglas: Can the minister assure the house that he will take the necessary steps to see that the employers in question live up to the terms of the Canada labour code?

Mr. Speaker: Order. That question cannot be accepted.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a supplementary question for the Minister of Labour with reference to his statement that consideration would be given to the taking of steps. I should like to ask the minister whether this consideration includes possible amendment to the present labour standards code which might make more easy a possible avoidance of this situation.

Mr. Nicholson: Mr. Speaker, I shall take that question as notice.

Mr. Douglas: Mr. Speaker, on a point of order, I always try to abide by your ruling,

and I have no wish to take exception to it at the present time, but I really require some instruction from Your Honour. I asked the minister a simple question, whether he will assure the house that steps will be taken to see that certain employers comply with the law of the land. I cannot see why this question is not proper and why the minister cannot give that assurance to the house.

Mr. Speaker: To my mind the question in the way it was asked is not an urgent question. The hon. member is suggesting that certain action should be taken by the minister. I assume he would bear that in mind, but to my mind the question is not an urgent one.

GOVERNMENT ORGANIZATION

PROVISION FOR ESTABLISHMENT OF NEW DEPARTMENTS

Right Hon. L. B. Pearson (Prime Minister) moved the second reading of Bill No. C-178, respecting the organization of the government of Canada and matters related or incidental thereto.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, on a point of order, if the right hon. gentleman would not mind, I should like to make the point, having in mind the provisions of the resolution, having in mind the provisions of the statute, and having in mind the provisions of the British North America Act, that there is some doubt as to whether all parts of this bill might be discussed because they are not included in toto in the resolution.

This is a point in respect of which the Minister of Justice indicated there was a legal opinion from the law officers of the crown stating that this is possible. I do not wish to raise the point and deal with it extensively at this time, but so far as I personally am concerned I feel that if we do not raise the point at this time we may be losing our right to take the proper position at a later stage. I should like to make this point now and reserve the right to suggest that parts of the bill may not properly be before us because of the form of the resolution.

Mr. Pearson: Mr. Speaker, on the point of order I may say I have been assured by our legal advisers that the resolution which has been accepted by the house makes it possible for the house to discuss every section and all items of the bill before it. The reason certain parts of the bill were not included in the resolution is that inclusion of all parts was not necessary because certain changes were made which did not involve financial matters of any kind. Therefore it was not necessary to include them in the resolution, although it would have been quite possible to have done so. For that reason the exclusion of these items from the resolution dealing with Bill C-178 does not in any way prejudice the right of members of this House of Commons to discuss on second reading and subsequently all sections of the bill which is before us.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister say, when he mentions law officers, whether they are the law officers of the Department of Justice; because the opinion I received, which was not from the law officers, was the very reverse.

Mr. Pearson: Yes, the view we received from the law officers was that the resolution in the form which was adopted would not in any way prejudice discussion of all items in the bill. The parts of the bill which were omitted were omitted for the reason that they did not involve any financial consideration and therefore were not required to be mentioned specifically in the resolution.

Hon. Michael Starr (Ontario): Mr. Speaker, would the Prime Minister assure the house that the advice he received was from the law officers of the Department of Justice or those who are responsible for the formation of the legislation?

Mr. Pearson: I will have to check on that. I was informed that it was the law officers, I believe in the Department of Justice and the Privy Council, but I should like to confirm this information.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, the question in respect of the point of order which intrigues me is that I cannot see why you would not have to mention each department in order to discuss this legislation. In this resolution the Prime Minister is asking that the Department of Forestry and ARDA be made legal. Does there not have to be another resolution, or another statute at least, naming this department?

Mr. Pearson: I have been informed that this is not necessary and that the resolution does adequately cover all the items in the bill which is before us.

Mr. Starr: Mr. Speaker, on this point of order may I ask the right hon. Prime Minister whether he can assure us that the department or departments embodied in this legislation which were not mentioned in the resolution do not entail any additional expenditure?

Mr. Pearson: Yes, and there are other matters in the bill which were not mentioned in the resolution for the same reason; that is, they do not entail any expenditure of public money by reason of the changes which are recommended in the bill.

Mr. Baldwin: Mr. Speaker, having raised this matter, it was not my intention to ask for a ruling at this time. I simply wished to make certain that my right to discuss this particular aspect of it would be reserved, and that during the course of the discussion on second reading I could raise the point and be entitled to state why I think there may be some doubt as to the position of the government. However, I was not asking Your Honour to make a ruling at this time.

Mr. Speaker: This was my understanding of the point raised by the hon. member for Peace River. I am very grateful that the hon. member is not asking for a ruling at this time.

Mr. Starr: Under the circumstances, Mr. Speaker, in order to substantiate the point of order which the hon. member for Peace River has in mind, I think we should hear his reasons at this time. If you make a ruling without hearing the arguments it may raise a doubt.

Mr. Speaker: My understanding is that the hon. member may wish to raise the point of order at a later date, and when he does the matter will be considered; but he is not submitting an argument at this time. I suggest we should allow the right hon. the Prime Minister to continue.

Mr. Pearson: Mr. Speaker, perhaps I will not be out of order in repeating that although I have been informed by the law officers of the Department of Justice and the Privy Council that it was not necessary, I can understand the doubt which has been raised about the resolution seeming to exclude certain matters which are in the bill. These matters were not included, but I wish to state that there is no restriction on members in respect of discussion of all matters in the bill when we come to a detailed discussion of these items.

[Mr. Pearson.]

• (3:20 p.m.)

In the discussion of the resolution certain points were raised with which perhaps I should deal. There was the question of whether we should not have proceeded with a number of bills rather than one composite bill, each bill dealing with the particular department with which it was concerned. It could have been done that way but, notwithstanding what the hon. member for Carleton (Mr. Bell) ventured to suggest, it might take a good deal longer if we had a debate on five or six resolutions, second reading on five or six separate bills and consideration of five or six bills at the committee stage. Be that as it may, the same kind of debate covering the same ground, and I think in less time, is possible when we consider a bill of this kind covering all the departments concerned.

In so far as the point raised by the hon. member for Burnaby-Coquitlam (Mr. Douglas) is concerned, which related to amendments to this legislation that may be required, I think it is just as simple and convenient, and perhaps even more so, to make amendments to a composite bill of this kind than to make amendments to four or five separate bills. Be that as it may, it will be possible under legislation dealt with in this way to make the amendments which may be required in the future either by legislation or, as may be the case more often in the future, by action under existing legislation which does not require new legislative measures.

There were certain references made in the previous discussion to the purpose of this bill, at which time I think the purposes were not accurately described in certain respects, particularly as to why we brought in this far reaching change in the executive structure of government. This was simply done for the purpose, as we have said, of making the government more effective and more adaptable to changing circumstances. I think this legislation, if parliament accepts it, will have that effect. It has been suggested that this legislation, if it is accepted by parliament, will add to the number of members of the cabinet and that this might be undesirable because the cabinet is already, in the minds of some people, too large. So far as this particular bill is concerned and the action which is to be taken under it, it will not have that effect and will not mean any enlargement of the membership of the cabinet at the present time.

I am not sure that I agree that the cabinet in its present form is too large. The numbers have been increasing over the years as government business has been increasing and we have now a membership of 26. My own feeling is, and I believe the right hon. Leader of the Opposition (Mr. Diefenbaker) shares this feeling, that as government business continues to increase, and there is no reason to believe that it will not do so in years ahead, it may be necessary to increase the number of ministers to deal with problems which cannot now be dealt with as effectively as they should because the ministers concerned already have too much to do. As the number of ministers for that purpose may increase, and the right hon. gentleman mentioned this, it will perhaps become necessary to introduce a system into our governmental structure by which we will have ministers in the cabinet and ministers who only attend cabinet meetings when subjects of direct responsibility and interest to them are being considered. This is not to suggest an inner cabinet within a cabinet, although that has developed almost automatically in perhaps a not too effective way. There are difficulties inherent to that kind of informal development.

This would mean that the cabinet itself would be smaller and that there would be a number of ministers who would not automatically be members of the cabinet but as Privy Councillors they could be summoned to cabinet meetings when matters of direct interest and importance to their departments were being considered. That is a practice which is now customary at Westminster.

During the May 9 discussion preceding the introduction of the bill the hon. member for Qu'Appelle (Mr. Hamilton) suggested that it would be helpful in dealing with this legislation for each of the ministers concerned and affected to take part in the debate and in turn deal with that part of the legislation which directly affects his or her responsibility. It is the government's intention to follow that procedure. The ministers who are concerned with this reorganization will be present to make statements and answer questions in respect of those matters which have been or are now being transferred to their responsibility. It may be that this could be done during second reading, but it may be found that it would be more effective to do it at the committee stage when the bill will be considered section by section, because each section will deal with particular ministerial responsibilities and the appropriate minister could handle that section. That will be for the house to decide.

Mr. Diefenbaker: Mr. Speaker, I should like to ask the Prime Minister a question regarding the matter he dealt with in the penultimate paragraph of his remarks. I suggested that acceptance of this bill would mean an increase in the number of members of the cabinet. If I understood the Prime Minister correctly, he said a few minutes ago that there would be no increase in the membership of the cabinet at the present time. Do those words indicate that the result of this legislation would be that the number of ministers could increase although that is not the government's intention at the present time?

Mr. Pearson: Yes, Mr. Speaker, the number could increase but such an increase is not contemplated by the government in this legislation. Perhaps I will be able to deal with that matter in detail or, if not in detail, at least mention how the cabinet will be organized if and when this legislation is adopted. Perhaps I should mention at once that there is a minister without portfolio who could be transferred to a new department of government if such were established. There are also other ways of dealing with this legislation which would not result in any increase, and I will make this clear as I go on.

In addition to the additional responsibility of ministers which will be discussed in this debate, there are certain general matters arising from the bill itself which are common to a number of departments. These matters relate to government organization generally, and I propose that the Minister of National Revenue (Mr. Benson) will speak for the government as well as for his department in this regard, because he will be the minister responsible for the Treasury Board as well as for the Department of National Revenue. As the minister of the Treasury Board, in addition to his present functions he will have charge of matters of government organization, and I think this makes it appropriate for him to take charge of general questions as they arise during the course of the debate.

There are certain other aspects of the legislation, however, which I should like to deal with briefly as Prime Minister, and these are the ones relating to the authority of ministers in closely related fields of jurisdiction. While the exposition of the details of particular departmental jurisdiction during the course of this debate will no doubt be of principal interest to members, certain remarks

made on May 9 make it clear that in some cases it would be useful for me to say a word or two about where one department's responsibility ends and another begins.

• (3:30 p.m.)

There are two groups which were of particular concern and which may have led to some confusion in the minds of hon. members. The first is the relationship between the Department of Justice, the Department of the Solicitor General and the department of the registrar general. Let me say immediately that of the three the first I have mentioned, the Department of Justice, remains the principal law department of the crown. I hasten to assure the hon. member for Greenwood (Mr. Brewin) on that point. I would go further and say that I entirely share his and other hon. member's great respect for and belief in what the hon. member for Greenwood called—and I quote from his statement the other day—"the fundamentally important function of the Minister of Justice, as the chief law officer of the crown, to give advice on constitutional matters, and to have responsibility for defending the federal rights in the courts." That remains the responsibility of the Minister of Justice. At the same time I would like to underline for hon. members what the hon. member for Greenwood also said that day. The first quotation was from page 4910 of *Hansard*, and the hon. member also said as reported at page 4911:

—they have been overburdened.

The hon. member was referring to previous ministers of justice. He went on:

They were responsible for advising on all sorts of legal matters. They were responsible for constitutional issues and for law reform. They were responsible to some extent for correctional institutions, and all sorts of other subjects.

Knowing this, and valuing as highly as we do the function of the chief law officer of the crown as counsel and as legislative adviser, we have in this legislation sought to free him, for this fundamentally important function, from certain administrative and operational responsibilities. Certain of these, as was pointed out the other day, will now become the concern of the Solicitor General (Mr. Pennell). It is, I believe, entirely in accord with good administrative procedure and good democratic practice that we should make these changes in this way, and in doing so we are here following a course pioneered many years ago in the United Kingdom in the Home Office.

[Mr. Pearson.]

Certain responsibilities which are also of an operational nature will go from the Department of Justice to the new department of the registrar general. I mentioned this in passing the other day. No member of the house conscious of the interplay between law and economics will fail to understand the significance of this new department and the important role it can play in areas such as patents, combines, bankruptcy and corporations, which have been left too long separated, almost in isolation. But in all these matters there is a common link of commercial interest, and legislation dealing with them will therefore have a strong economic foundation; it will contain vital elements of concern to the public interest.

I feel that bringing these matters together under one new department, with a single minister to have responsibility for them, will have effective results which could not be so easily or effectively achieved under the old, haphazard and virtually accidental arrangements by which these matters were split under two or three departments.

In this connection I have asked the President of the Privy Council (Mr. Favreau) to act also as registrar general. During the past few months he has already had responsibility for some of the pieces of legislation which will go now to the new department if this bill secures parliamentary approval. His previous experience as a member of the restrictive trade practices commission, a member of a royal commission looking into patents and copyrights, a civil servant, in private practice, and as a minister will, I believe, be of very great assistance in the formation and conduct of this department.

One of the matters which will have to be considered early in the establishment of the department of the registrar general is to what extent it can further assist and protect the Canadian consumer, which is a matter that was mentioned in the discussion on the resolution, especially by the hon. member for Vancouver-Kingsway (Mrs. MacInnis). The Department of Trade and Commerce, the Department of National Health and Welfare and the Department of Agriculture now have active consumer protection roles within their own departmental areas of responsibility, but there may be other areas in which the federal government can develop consumer protection programs and there may be a real need to co-ordinate what is being done now in a number of departments.

It is the government's intention to ask the Economic Council to look at the field of

consumer affairs, along with some of the other functions now to be undertaken by the registrar general under the legislation before us, with a view to providing advice as to the courses of action that seem best suited to meeting the needs of the Canadian people and the Canadian economy in the consumer field.

Mr. Diefenbaker: Mr. Speaker, would the Prime Minister say in what particular the question of consumer credit comes within the jurisdiction of the federal parliament, what portion of it is entirely within provincial responsibility and what representations, if any, are being made to the provinces to secure their co-operation in connection with this investigation?

Mr. Pearson: Mr. Speaker, this is one of the important matters which will have to be considered, namely, the respective jurisdictions of the provincial and federal governments in the consumer field. It is on this matter as well as others that we are seeking advice from experts, including the Economic Council. It is impossible at this stage to say what the responsibility of the department of the registrar general might be in this field until we get a report in regard to the matters I have just mentioned. Our additional responsibility as a government in this field will be determined after we have examined the matter very carefully, especially in the light of the report which we hope to secure from the Economic Council.

While the division of the responsibilities among ministers is, I believe, made reasonably clear in the terms of the bill, I think I ought to clarify one aspect of the division of responsibilities between the minister of Indian affairs and northern development on the one hand and the minister of energy, mines and resources on the other. In my statement on May 9 I said:

> The resource jurisdiction which has been connected with the development of the north will remain under the minister of northern development.

We all contemplate that at some time in the future we shall have in this country one or more provinces in the north. That situation will come, however, only after there has been substantial growth in population and in resource development. The encouragement of that resource development will be the responsibility of the minister of northern development. In a sense the minister will be acting in that, as in many other respects, as a trustee for provinces of the future.

The minister of energy, mines and resources, on the other hand, will be exercising responsibilities that are essentially, if I may use that word, national in their character. By that I mean he will be responsible for the kind of things that do not relate to any particular province but rather involve elements of jurisdiction that are federal in nature and aspects of policy that affect the country as a whole. I think that this basic concept of division of functions is sound. It should permit the establishment of arrangements that will remove to the greatest extent possible confusion and difficulty as developments and changes take place in this country over the coming years.

• (3:40 p.m.)

One of the questions that had to be considered in this division of responsibility was how best to draw a geographical line for administrative purposes with regard to underwater areas off our coasts, which the federal government has been advised by its law officers come within federal jurisdiction. As hon. members know, some provinces have taken issue with the advice that resources underlying offshore waters are legally a federal responsibility. This is purely a constitutional question and it has been referred to the Supreme Court of Canada for an opinion. Until the advice of this court has been received, I naturally do not intend to go into the substance of the argument; indeed, it would be inappropriate and profitless to do so. I may say that until an opinion is given that such resources are not federal the federal government must have administrative arrangements to handle applications for rights to explore the resource possibilities under the waters off our coasts. If the Supreme Court of Canada should decide that these areas and resources are not federal, the jurisdictional problem will be altered and transfer arrangements will have to be made. This of course, can be done.

However, for the present at least the federal government must provide for the administration and proposes to do so. One solution would have been to have the minister of Indian affairs and northern development handle all mineral resource development under federal jurisdiction, whether in the north or on the continental shelf. This would, however, have involved that particular department in things that would relate in no way at all to its northern functions or to other things with which it deals such as Indians, national parks and wildlife. It might, thereby, have introduced a misunderstanding of the character of

the division of functions between these two departments.

In working out a division of resource work between the two departments, one possibility would have been to give the minister of northern development responsibility for resource areas on dry land, that is, land above sea level, and the minister of energy, mines and resources responsibility for resource areas under the water. This, Mr. Speaker, was not considered to be practical. In the far north areas of water interlace the many large islands and the thousands of small inslands of the Arctic archipelago, while in Hudson Bay hundreds of tiny islands that are a part of the Northwest Territories speckle immense water areas.

To have the jurisdiction divided between dry land on the one hand and, if I may use the expression, "wet land" on the other might well have created administrative chaos. The best arrangement, after considering a number of possibilities, appeared to be for the minister of Indian affairs and northern development to have administrative responsibility for all continental parts of the two territories and also for the Arctic archipelago, including the underwater areas there in the area of the archipelago. In Hudson Bay, James Bay and Ungava Bay we have exactly the opposite situation to that of the Arctic archipelago. We have an inland sea interspersed with hundreds of small islands. The sensible arrangement there seemed to be to have the minister of energy, mines and resources assume administrative responsibility for these water areas along with the responsibility he will have for the other large areas of the continental shelf. To avoid confusion the minister of energy, mines and resources will handle the administrative work for the islands in Hudson Bay, Hudson Strait and Ungava Bay, as well as for the underwater areas south of a certain line.

In other words, as a purely pragmatic administrative arrangement, the water areas have been placed with the land jurisdiction in the Arctic archipelago where the land is the most extensive and important element, and the land areas have been placed with the water in the Hudson Bay area where the water areas are very much larger than that of the islands. The dividing line, so far as the departments are concerned, will run substantially along the south coast of Southampton and Baffin Islands.

This division is not reflected in the present bill because it has no legal consequences or significance. It is simply a division of federal administrative responsibility between two federal ministers about which I thought I should inform the house. This information has already gone out in the schedule to Order in Council P.C. 1965-2284, which was tabled in the house on January 18, 1966. I do not believe there are any other comments I wish to make at this time. As I have said, particular questions of organization and administration will be dealt with by the ministers concerned, if these are matters which are of concern only to these departments. If the matters are of wider than departmental concern they will be dealt with by the Minister of National Revenue who will be the minister responsible for the Treasury Board.

I was glad to note during the discussion of the resolution many expressions of approval for this measure as well as some very constructive suggestions for possible improvement of the ideas and principles underlying the bill. The comments throughout the country, both at the time when the changes were announced last December and since, have reflected not only an awareness of the problem these changes are designed to meet but in general have given approval to the purposes of the government in legislation of this kind, designed as it is to deal with the changes.

This legislation, if the house accepts it, Mr. Speaker, will contribute to the more efficient operation of government at a time when that is one of the major purposes of parliament, and by contributing to the efficiency of government will enable the country itself, I hope, to deal more effectively with the complex and changing problems of our national life.

As I said in concluding my remarks at the resolution stage, there will undoubtedly be further changes required as conditions change, and they are changing with bewildering rapidity these days. It will be possible to adapt the legislation to these changes in part by action under the Public Service Rearrangement and Transfer of Duties Act. It may even be necessary in the future to come back to the house for amendments to the bill before us. This measure is to make executive government more efficient, and it is one step in that direction. As other steps seem to be required we will be privileged, I hope, to bring the changes that may be necessary before the house from time to time.

Mr. Hamilton: Will the Prime Minister permit a question at this time dealing with the Privy Council? What arrangements will

be made, under the Prime Minister's jurisdiction for the Privy Council, to look after the scientific secretariat? Will that be designated to a minister or will it stay under the Prime Minister?

Mr. Pearson: I am not sure if I understood my hon. friend's question. To what was he referring?

Mr. Hamilton: There is a secretariat that deals with scientific matters and handles reports from the new council on science and the National Research Council. I wonder if they will report to a committee of cabinet and from whom they will get directions in the Privy Council? We have been critical of this because it seemed to by-pass the house. Of whom shall we ask questions in the house? Will the jurisdiction remain with the Prime Minister or will it be given to a new minister?

Mr. Pearson: The proposed science council but not the research council will report to the Prime Minister.

Mr. Starr: I rise on a point of order. The Prime Minister mentioned that the Minister of National Revenue, in his capacity as president of the Treasury Board, would give a more complete picture of this reorganization. I wonder whether the Minister of National Revenue will rise now and augment the picture the Prime Minister gave a moment ago?

• (3:50 p.m.)

Mr. Benson: Mr. Speaker, I believe that what the Prime Minister said was that I will deal with questions of a general nature which will arise during the debate. Questions with respect to new departments which are raised by hon. members will be dealt with by the ministers involved either on second reading or at the committee stage. Personaly I believe committee stage will be more appropriate in that questions can be put and answers given, additional questions asked, and so on. Perhaps I should deal with questions of a general nature raised prior to second reading of the bill and its referral to committee of the whole after hon. members on the opposite side have had an opportunity to speak.

Mr. Brewin: Mr. Speaker, may I ask the Prime Minister a question? I do not see anything in the bill relating to this subject, but under the proposed reorganization will the traditional duty of the Minister of Justice to advise on constitutional problems be in any way affected or is this duty being transferred to the President of the Privy Council?

Mr. Pearson: No, Mr. Speaker, there will be no change. Indeed, I quoted with approval the remarks of my hon. friend on the resolution stage of the bill on that very point.

Mr. Brewin: I am sorry, I missed that.

Hon. Michael Starr (Ontario): Mr. Speaker, we have listened to a great deal of verbiage from the Prime Minister (Mr. Pearson) about what this legislation will mean in the reorganization of government departments and how effective this will be. All I can say at the present time is that the change is more an appearance than a result. Because it does not matter how much we try to reorganize or make the departments of government more effective; their effectiveness can only be brought about through the leadership of the government, depending in turn on the ministers who will head the departments and how effective they are in taking a leading role in the policymaking of their departments. Therefore, irrespective of the words I use we will have to wait with bated breath to see the results which are brought about by the changes being made through this legislation. If the performance of the present government since 1963 does not change within the next few years, then I am afraid we are spending a great deal of time on this legislation when the same thing could have been achieved by leadership in the departments which have existed up till now.

What I am concerned about, Mr. Speaker, is the effect that this legislation will have on certain departments of the government and the demoralizing effect it has already had in relation to the proposed new departments and their effectiveness. In some instances this legislation relegates certain departments, which have been doing a good job heretofore, to a very unimportant role. Others are raised in importance, depending on who is the minister designated to head them. I am not going to speak about who the ministers will be; rather, I should like to say a few words about the departments themselves, their significance and their effect upon the people who will staff them.

I should like to say a few words first about the Department of Labour over which I presided as minister for five and a half years. In 1957 the Department of Labour was considered a poor second cousin to all other

departments in the administration of government, having under its jurisdiction only the Industrial Relations and Disputes Investigation Act and a few other minor acts. Over the years, because of our activity in government, this department rose to a very important position and played a very important part in the government of the country, so much so that the personnel of the department felt they had now taken their rightful place in the administration of the country.

The Department of Labour plays a prominent part simply because labour is a very large and important segment of the Canadian population. Because of that the Department of Labour should and must play a significant role in the administration of the country, and it deserves recognition and attention.

When we were the government we built up the department through various programs and the administrative acts which were under the jurisdiction of the department. We activated and stimulated the "Do it Now" program. We activated the training and retraining of the unemployed in the country, which is something the new minister of manpower will be adding to because he has recognized its importance by raising the allowances of those who will be training under the program. We also activated to a tremendous degree training and retraining in industry. This is something which I hope will be continued, though it will be carried on not by the Department of Labour but by the new department of manpower.

We also instituted the municipal winter works incentive program, which is still in effect. Under this program municipalities right across the country can benefit each and every winter. In 1960 we instituted the technical and vocational assistance program, under which a tremendous number of schools were built across the country providing over 300,000 places for students to receive training in trades and skills. All this added to the prestige of the department and the department felt it was playing an important part with tremendous enthusiasm.

Now, Mr. Speaker, in the year 1966 this government is dismembering the department. All of the programs instituted since 1957 are being taken away from the department and it is being relegated to a very insignificant role indeed in the affairs of government in this country. The morale of the personnel left in the department is low and all interest has been lost. In 1957 they felt they were second cousins but they now feel they are third cousins to other departments in the government service.

As a result of this reorganization, Mr. Speaker, what is left to the Department of Labour? It still administers the Industrial Relations and Disputes Investigation Act, under which it provides the services of mediation in disputes in this country. It still administers the Merchant Seamen Compensation Act, a purely administrative measure, and the Government Annuities Act which is now dormant.

Therefore, Mr. Speaker, what has the Minister of Labour left for him now? What is the meaning now of the Department of Labour in relation to the tremendous labour force in this country? It has very little meaning. As a matter of fact, since 1963 the ministers of the present government have made no endeavour to bring about an end to any disputes which have occurred in the country during the past three years but have sat on the sidelines relying on mediators, conciliation boards or any other body on which they could lay their hands and throw into disputes, hoping and praying they would be successful. Such was not the case from 1957 till 1963 when there was an active interest on the part of the minister in endeavouring to bring parties together in order to bring an end to disputes instead of relying on somebody else.

Let me take as an example the present strike of longshoremen in Montreal and Trois-Rivières. The government is not moving on this at all. All they are doing is hoping and praying that a judge they have appointed will bring about an end to the strike through conciliation.

• (4:00 p.m.)

I bring up these matters, Mr. Speaker, only because I want to show that in the past three years the ministers have not accepted their administrative responsibilities. That is why I said at the beginning that it does not matter what changes are made through reorganization because the success of such reorganization will depend on leadership.

If the government and its ministers carry on in the same offhanded manner they have adopted until now, none of these proposed changes will mean anything. Reorganization is fine provided you have the leadership to put it into effect. The two ministers who have held the office of Minister of Labour over the past three years have not participated in disputes regardless of the disruption to the economy, regardless of the effects on the

economy as the result of strikes, yes, regardless even of the fact that some such disputes have resulted in strife. The ministers have taken the attitude that it is not their business to effect settlements. They would rather use the services of strangers, thereby hoping to bring about settlement of the disputes.

In the Department of Labour we endeavoured to set up in the past a committee which had to do with the bringing about of a better relationship between management, labour and government. This machinery was set up but it has now been dismembered. No effort is being made to use it. We want to know whether the proposed reorganization is going to bring about a better understanding between management, labour and government.

How will consultation between these bodies be possible under this new set-up? Surely the minister of manpower will agree that consultation is not only a major but a very important issue to the three bodies of Canadians I have mentioned. Consultation should be carried out on a continuing basis rather than haphazardly from time to time.

Under this proposal the Department of Labour is broken up and morale is low. There will be a department of manpower headed by a minister who, I must admit, has very great experience in dealing with labour matters. He has a good record of energy and accomplishment in the labour movement. Yet he is given half a department or perhaps less than half a department to deal with labour under the new set-up. Immigration is thrown in as compensation. We are doing away, as a matter of fact, with the Department of Citizenship and Immigration.

In the bill setting up the new ministry of manpower it is proposed that the new department will deal with the utilization of manpower resources in Canada as well as employment services and immigration. However, citizenship has gone by the board. There will be no department for that.

An hon. Member: Carried.

Mr. Pearson: You should read the bill.

Mr. Starr: Citizenship is going to one department and immigration to another. Both these subjects came under the function of one department. Citizenship and immigration have not changed. Now, however, the minister of manpower has part of the functions of the former Department of Labour but not all of them. He also has only a part of the function to do with immigration.

Surely the question pops into one's mind, is immigration not important enough to warrant the full time attention of a minister? Are immigration criteria to be established purely and solely on the basis of the demands of the labour market? Is that what is intended under this reorganization? Are we going back to the days when immigrants were allowed in according to the demand for labour? Is this what the government has in mind? Surely in immigration other factors have to be considered. Surely the very important humanitarian factors must be considered.

Some hon. Members: Hear, hear.

Mr. Starr: After all, we are dealing with people. We are not dealing with so many ciphers on the labour market. One is led to believe that the new manpower policy will deal with members of the labour force and with immigrants as ciphers only. The humanitarian aspect of things seems to have gone out of style with this government.

In the application of manpower policies the minister of manpower will not have direct contact with the conciliation services of the Department of Labour. Those are to come under another minister. The minister of manpower will not have the benefit of the many years of experience of those officers left in the Department of Labour who have dealt with problems in the field of labour. After all, the minister of manpower has to do with labour, but that is under a different minister. The minister of manpower, despite all his experience in dealing with labour unions, will find that he is not operating from one side of the fence or the other but that he is walking on the fence. This is very different from his experiences as a union leader.

The minister will also be dealing with management but not in the way he did as a union leader. Yet the officers of the department having experience in these matters are not to be under his jurisdiction but under the Department of Labour. Under these circumstances one can only hope that here will be the most intimate consultation and exchange between himself and the Minister of Labour because in effect they are both administering different parts of the same department.

What bothers and worries some of us is how these divisions are going to be brought about. What sort of liaison will there be between the two departments in dealing with

problems that will inevitably come up for decision?

The Minister of Labour is to preside over something that is less than the former Department of Labour. That has been taken away from him. I do not see why matters such as technical and vocational training and on-the-job training were taken away from the jurisdiction of the Department of Labour and put under that of the minister of manpower. One can only hope that the fragmentation of the Department of Labour will not inevitably lead to fragmented policies at a time, particularly in the days ahead, when a positive, consistent manpower policy is an economic necessity. That such a danger exists is recognized both by unions and by management.

I should like to quote from an article that appeared in the *Monetary Times* of February, 1966:

> Training and retraining schemes quietly launched in the early 60's, are, in the national context, still little more than embryonic, yet their results are already startling.

I bring this to the attention of the government, Mr. Speaker. An injustice is being done to the Department of Labour. These things belong there, and were started there. The programs I refer to have been transferred from the Department of Labour where the personnel had knowledge of them to the department of manpower where the personnel are not familiar with them.

One can only hope that these proposed changes will carry on the effectiveness of the programs I have mentioned, and will ensure the effectiveness of future programs, if there are to be any. Of great importance is the leadership that will be given by the minister in the department. I only hope that the Department of Labour and its personnel will be given some sort of uplift so that the morale of that department, which has sunk to a new low at the present time, will be lifted up again.

• (4:10 p.m.)

Mr. David Lewis (York South): Mr. Speaker, my hon. friend, the hon. member for Burnaby-Coquitlam (Mr. Douglas), stated generally our view on this legislation during the resolution stage. I merely wish to emphasize one or two points and make some comments, if I may, on the remarks of the Prime Minister, particularly those of today.

First of all may I say that I always like to approach such changes in machinery as this represents by asking the question: why are the changes necessary? Furthermore, and this probably applies equally to all hon. members, including the right hon. gentleman, machinery interests me a great deal less than the policy which the machinery is intended to carry out.

As an amateur student of policital science I would think that the reasons which enforce changes in the government set-up are four. First, there is the immense increase in government functions and responsibilities as well as in government expenditure. I remind myself that only 30 years ago our total budget was in the neighbourhood of half a billion dollars, if I remember correctly. Today I suppose federal government expenditures, budgetary and non-budgetary, are about 23 or 24 times as great. This is the first reason why the machinery we have had heretofore cannot possibly be effective today.

I assume the second reason which has moved the government to think of reorganization derives from the new problems our society faces, problems thrown up by the scientific revolution, by automation and cybernation, and the importance of manpower in such a situation. It seems to me we are approaching an age when we shall need to make fundamental changes in a social ethic which has to a great extent been built up on the idea of work but which may in the future have to be built on the notion of leisure. We have an entire compendium of phrases prising work per se. We admire the person who keeps his nose to the grindstone, though I have always thought this was more a measure of our sadism than of our morality. These new problems make it necessary to have new government machinery.

I suppose the third source of pressure for changes is the new federal-prov ncial relationship. Aside altogether from the conflicts and the difficulties, the fact is that many of the functions which the British North America Act gave to the provinces have gained in importance and impact. The result is that changes in the federal-provincial relationship are necessary. Aside from anything else, one need only mention education, welfare and road construction to understand the tremendous increase in the importance of the provincial part of our federal set-up. Since the provinces are now taking a much greater share in these developments, both in their own jurisdictions and possibly in Canada as a whole, a new situation arises requiring much

more co-ordination of policy than was needed some years ago.

Finally, there is a new factor in our lives, one which seems to have developed during the last couple of decades as a result of the tremendous influence of the mass media of information and propaganda. These are being used frighteningly by the huge corporations for the purpose of persuading us to buy what we do not need, to throw away what we really want, and to believe almost anything. In this situation there naturally emerges a broad social pressure for legislation and machinery to protect the consumer, as the hon. member for Vancouver-Kingsway (Mrs. MacInnis) pointed out during the earlier debate on this subject.

I wish to emphasize that in this field we are dealing not only with advertising and prices, the more pressing and the more obvious parts of consumer protection, but also with the quality of life in North America, to use a very general phrase. We are dealing with the fact, both in this country and in the country to the south, that the affluence and the habits we are developing are producing respect for the quantity of goods one possesses rather than for the quality of one's life.

All these things create a need for the protection of the consumer. Nor is it necessary to protect him only against falsehood. We need agencies which will help the consumer decide on the kind of choice that will enrich his living rather than merely place him somewhat higher in this status-seeking society.

The first reason for change then is the immense increase in government functions. Then there are the new problems arising from the scientific revolution, the necessary and inevitable new relationship between the federal government and the provinces and, lastly, the increasing need to protect the consumer. These, in summary, are why government reorganization is needed. These are the changes which government reorganization must meet. If the government's plans fail to do so, I submit they are not adequate.

On this basis my first point is to ask the right hon. gentleman why this reorganization does not do precisely what he suggested, at least by implication, it should have done, namely, bring into being two classes of minister, one belonging to the cabinet and having the general responsibility of government and the other a class of junior minister not belonging to the cabinet but having responsibility for the administration of a department. There are many areas in which this could have been done. I say this smilingly, but if the right hon. gentleman had in mind to bring about a reorganization why could he not, for once, have done it in a non-Liberal way, that is to say, why could he not have done the whole job at one time instead of doing only part of it and expressing the hope that later the rest would be accomplished?

Surely it would have made a tremendous improvement in administration if his cabinet were smaller. Surely it would be easier for his ministers to meet much more frequently than is possible now? Surely it would be an advantage if some of his ministers were freed from departmental responsibility so that they could look at the situation in Canada and in the world as a whole without the burdens of departmental detail.

How much better the administration would be if we had a cabinet of that sort, if the ministers were able to leave details to others who could have the job of looking after a department or part of a department or a division, such as housing. I do not say this with acerbity but it seems to me the Prime Minister has not approached making the kind of reorganization which a modern society requires, though there is a great deal of good in the proposal he has placed before us.

The same is true of what the right hon. gentleman said about consumer affairs. If I remember rightly, he said that in addition to what is now contained in the various departments, including the Department of Agriculture, there might be other areas where more action is needed and that there might be need for co-ordination. Surely there is need now for co-ordination. Surely it is obvious there are other areas where there is a need for consumer protection other than that now being afforded by the Department of Agriculture. Surely there is no need for an investigation to see that the way in which the consumer now is exploited by advertising and advertising propaganda is a scandalous distortion of decent commercial behaviour. Surely there does not need to be an inquiry to see that the consumer must be protected against unnecessary rises in prices which are not warranted by any increase in actual cost. We do not need an investigation to establish that. However, if I may again say this smilingly, the right hon. gentleman could not help being a Liberal so he said, in order to make sure that he knows what everybody else knows, that he will ask the Economic Council to study the entire question of consumer affairs.

Government Organization

• (4:20 p.m.)

Some time ago the right hon. gentleman handed the Economic Council a job which some of us thought was to study price increases in this country and what might be done about them. I gather that is not quite what the Economic Council has been asked to do; it has been asked to do something else in the field of pricing. The important thing to note is that we have an Economic Council which has been given the job of making an annual survey normally done by economists, and which has been done exceedingly well by Dr. Deutsch and the members of his council. The same Economic Council has been given the job of looking into some aspects of pricing. I do not know exactly what aspects it now will be asked to look into in the field of consumer affairs generally.

If the Economic Council ever had any vestige of planning, the right hon. gentleman is making sure it will not have any in the future. It will have ad hoc jobs to do such as the economic survey, prices, and consumer affairs and it never will be able to do any planning whatever. If there may be some requirement later, why not now? One hon. member boasted about the fact that the former government had instituted a do-it-now campaign which this government also is carrying out. Why not now?

I urge, Mr. Speaker, that a department of consumer affairs is an essential part of modern living and is the only way in which we can meet the problems of the modern consumer which, as I have said, do not merely involve prices, important though they are. The entire problem concerns the way in which we live, the kinds of things we choose among the many things from which we may choose. It involves clean air to breath or clear unpolluted water or beautified cities. All these are things with regard to which the Canadian citizen as a consumer must have protection. A department of consumer affairs should have various agencies to cover these many fields. A prices review board is, of course, very essential. The right hon. gentleman simply does not meet the needs of the present day when he satisfies himself by saying that he has asked some body which is going to look into something related to the protection of the consumer.

I wish to say a word now about what I consider to be the most important lack in this re-organization. There is no ministry of planning or economic affairs, or whatever you wish to call it. Let me point out to hon. members with the utmost seriousness that this is a lack which this government and this country will regret in the years to come. If you look at the various facets of our economy with which various departments of government deal, at least partially, you see the following picture; and I cannot give you the entire picture because I have not had the time to make the necessary study. You have the whole problem of manpower, placement and training in the hands of the ministry of manpower; you have the whole problem of disputes, harmony in labour-management relations, and the labour standards code in the hands of the Minister of Labour; you have the question of investment planning, which is basic to the economy, in the hands of the Minister of Trade and Commerce. The Economic Council and the war on poverty are under the Prime Minister. The various research councils, which again are basic to the modern economy and its development, also are directly under the Prime Minister.

With great respect to the right hon. gentleman, it is as obvious as anything can be that he is not in a position to give a direction to any of these agencies since he has to have overall supervision of all agencies of government. Yet these important instruments for an understanding of what is happening which are necessary for planning to meet what is happening, such as the Economic Council, the agencies for the war on poverty, the science council and the research council, are directly under the Prime Minister. I submit that this situation is not encouraging.

Then, if you go to such very important parts of the economic development in Canada as the designated area legislation, that is under the ministry of industry. Then, for some mysterious reason which perhaps is not so mysterious, the Atlantic Development Board comes under the Minister of Transport. I do not know what the Minister of Transport has to do with development of that sort except that the present minister comes from one of the Atlantic provinces; I suppose that explains it.

Mr. Knowles: He represents one of the Atlantic provinces.

Mr. Lewis: The hon. member for Winnipeg North Centre (Mr. Knowles) says that the minister represents one of the Atlantic provinces. That probably is a more accurate political way of describing it. The minister comes from one of the Atlantic provinces but that is a pretty poor reason for giving him something like the Atlantic Development

Board. Rural development, which is part of the economic planning, comes under the minister of forestry and rural development. Housing, which is essential to any kind of planning for our consumers is under the Minister of Labour and naturally, of course, the Budget is under the Minister of Finance and other things which will concern expenditures are under the Treasury Board.

I am not objecting to the fact that these various fields are under different ministers or in different ministries, because obviously you cannot have them in one ministry. I do not wish anyone to think I am asking for that. What obviously emerges from this picture of the various fields and ministries is that there is an absolutely urgent need for some ministry whose specific and only job is to co-ordinate these various needs and co-ordinate the various objectives. Only thus can we have a complete picture of what is happening in the various departments and have a complete knowledge not only of the facts but of the policies from which the facts emerge, because often these are more important than the facts themselves.

Unless you have that you have exactly what you have now, a pretty planless situation. Nobody can persuade anybody who knows anything about planning that there is even an approach to planning now in this government and in this country. From the little I know of large corporations in Canada, one does not need to be a democratic socialist like myself to believe in planning. You do not have to be a democratic socialist to embrace this idea. Any large corporation which is well organized will have some department whose job is to co-ordinate the work of all the other departments. There will be a position, possibly that of vice president; there will be a vice president in charge of planning or a vice president in charge of co-ordination or a vice president in charge of expansion. Whatever name he may have, there will be someone responsible for co-ordinating the planning aspects of the various departments and of the whole corporation.

• (4:30 p.m.)

The absence of any recognition of this need in a modern society seems to me to be the greatest possible condemnation of the right hon. gentleman, the Prime Minister, and his advisers and associates. It shows in my opinion a complete lack of appreciation for the kind of co-ordination and machinery which a modern, complicated and difficult society requires.

The same thing is obviously true with regard to the Treasury Board, as suggested in the comments of the hon. member for Burnaby-Coquitlam (Mr. Douglas). The right hon. Prime Minister suggested today that it is intended that the president of the Treasury Board—I think that is his title under the bill—will be concerned with the day to day operations of that department. I hope that is true because we require the same thing in this regard as for general planning for the country. We need some central agency which will plan for actual personnel requirements and relate them and other requirements of other departments one to the other.

There are obvious misgivings about the way in which the law departments of the government are to be divided and we have some specific suggestions to make in this regard. The hon. member for Greenwood (Mr. Brewin) will deal with that subject.

If I may use this adverb, I think that is all I can "usefully" say. There would be no purpose in merely using up the time of the house to repeat myself. I conclude by summarizing that if this government had, as in my opinion it should have had, an appreciation of the reasons which require government rearrangement and reorganization it would have done a great deal more than this bill proposes both as to the reorganization of the cabinet and the ministers and of the departments themselves. There would have been a definite step toward a department of economic affairs and planning and a department of consumer affairs for the protection of the consumer.

I sit down no more disillusioned than I have been before today because of the fact that when an approach has at last been taken toward the reorganization of our governing machinery the approach in this case, as in every other case, is timid, static, inadequate and barely starts the job of complete reorganization and even that in a halfhearted way.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, Bill C-178, entitled, an Act respecting the organization of the Government of Canada and matters related or incidental thereto, provides for changing the names of certain departments.

The Prime Minister has just stated that no new ministers will be appointed, that it is just a matter of transferring powers from one minister to another, and mostly a change in titles.

We can see, for instance, that the duties of the Solicitor General are listed as follows:

4. The duties, powers and functions of the Solicitor General of Canada extend to and include all matters over which the parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency of the government of Canada, relating to

(a) reformatories, prisons and penitentiaries;
(b) parole and remissions; and
(c) the Royal Canadian Mounted Police.

Those will be the responsibilities of the new Solicitor General, once Bill C-178 has been passed.

Mr. Speaker, it is no secret that we have had complaints about our penal institutions and prisons, especially penitentiaries, for several years, to the effect that the prisoners are ill-treated and cannot be trained while in detention, and that they cannot be rehabilitated after they have served their term.

With regard to pardon and release on parole we have also had distressing cases, which have been mentioned in the house, elsewhere, and in the newpapers, such as the Dion case in Quebec.

There are other cases where people have been freed under the provisions of the Parole Act and have returned to crime.

It is understood that more extensive studies in each of these cases should be undertaken beforehand.

I do not intend to dwell on this question. We do not object to the new Solicitor General being given responsibilities to this effect. As members of parliament, we want to have access to information that we might need in cases of release on parole and particularly as concerns the actions of the Royal Canadian Mounted Police.

As for the new department of registrar general, its duties are the following:

8. The duties, powers and functions of the Registrar General of Canada extend to and include all matters over which the parliament of Canada has jurisdiction not by law assigned to any other department, branch or agency of the government of Canada, relating to

(a) combines, mergers, monopolies and restraint of trade;
(b) patents, copyrights and trade marks;
(c) bankruptcy and insolvency; and
(d) corporate affairs.

• (4:40 p.m.)

As regards combines, mergers, monopolies and restraint of trade, we have now, as we had in the past, concrete examples.

In my northern area for instance, there is an I.G.A. company. This I.G.A., which can be found almost anywhere in the province of Quebec, is controlled and dominated by a certain Mr. Loeb, or the Loeb company here in Ottawa. It belongs to Mr. Loeb.

In my area agreements are signed for a year and a half or two years with retailers. Lately, this same Loeb company has been buying out wholesalers—wholesalers are now controlled by the same people who control retailers—and retailers under contract with the Loeb company have to come to terms with wholesalers, who keep another name, but are nevertheless dominated and controlled by the Loeb company that just bought them out.

Now there are hundreds of such cases throughout Canada. But Mr. Loeb seems immune from federal legislation on combines, mergers, monopolies and restraint of trade.

While I was in Rouyn last week I met dealers from Amos, LaSarre, Val d'Or and Rouyn-Noranda. They complained that the Loeb company, or Mr. Loeb, had full control over wholesale as well as retail trade in our area.

The small independent dealer now finds himself in a position where he can no longer operate without resorting to one of the many branches owned by Mr. Loeb, either in Amos or Rouyn; there is complete control.

In that field it would be important, not only after the federal registrar is appointed, but for the present minister, who witnesses such things, to determine whether or not an investigation should be carried out. I suggest that the minister should have an investigation launched immediately as regards those combines and mergers, and particularly those monopolies and restrictive trade practices.

As far as I am concerned, I owe Mr. Loeb nothing and the small independent dealers in my riding do not owe him anything either. But when people have to be under Mr. Loeb's thumb in order to become independent dealers and retailers, generally known as I.G.A., who have to buy their supplies from Mr. Loeb who purchased for instance, the A. Gouin firm in Amos, the Lafortune & Gagné business in Rouyn-Noranda, and who would be ready to buy other firms so as to assume the full control of trade in our area, in my opinion, Mr. Speaker, there is more than food for thought here. This matter should not only be considered by the House of Commons but also investigated by the department concerned.

I sincerely believe that the Registrar General, once appointed, will have a lot to do throughout the country with regard to trusts,

mergers, combines and restrictive trade practices.

It is the same thing with the Bankruptcy Act. Have we not witnessed, in the last several years, a staggering number of bankruptcies? The bankrupts are accused of having been insolvent before going into business, of having been too weak financially to operate a business. We have been hearing about those matters in the house for several months.

We are now faced with a large number of fraudulent bankruptcies. Some people rob manufacturers or honest people to go into business and then go into bankruptcy after having disposed of the goods they literally stole from manufacturers or workers or people who work honestly to increase the national productivity.

Mr. Speaker, the responsibility of the Registrar General is to see to it that the number of bankruptcies decreases, that insolvency is proven, not after the man is bankrupt but before he goes into business.

And there is also the business of corporations. These are not only Canadian corporations operating in Canada but, as I said to the Minister of Industry (Mr. Drury) last Friday, there are also Canadian corporations which open subsidiaries in Japan or China to create some competition for themselves here in Canada. There is something abnormal there.

People are allowed to open subsidiaries in Japan or China where labour is 60, 75 and 80 per cent cheaper than in Canada. Then, they ship to Canada the products manufactured in Japan to compete with the Canadian products made by Canadians and controlled and dominated by the same people. The same people are competing against themselves. That is corporation business. The minister and the government should pay attention to such complaints. I am not making them up for parliament, they come from everywhere because it is felt that such competition is dishonest. Strangely enough, that same competition which is called dishonest is created by the same people who operate here in Canada. They go under a different name in China or in Japan, but in Canada the competition is against those people.

Mr. Speaker, let us consider now the department of manpower—whose duties and functions are as follows:

> The duties, powers and functions of the minister of manpower extend to and include all matters over which the parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency of the government of Canada, relating to
>
> (a) the development and utilization of manpower resources in Canada;
>
> (b) employment services; and
>
> (c) immigration.

Now, in the field of manpower, as concerns the utilization and development of manpower resources in Canada, I wonder, Mr. Speaker, whether this matter does not come first under provincial jurisdiction.

Is it not rather to the province—in our case the province of Quebec—to settle the matter of development and utilization of manpower resources with the co-operation of the future minister of manpower (Mr. Marchand). As to the overall picture of the country, we might utilize Quebec manpower, Quebec students for instance, to help pick up the fruit in southwest Ontario. The future minister of manpower must know, through his national unemployment offices, that jobs are offered elsewhere in Canada. Then the minister might be of some use by co-operating with provincial authorities.

In item (b) of his duties, that is employment services, there is again duplication if you want to call it that. There is a provincial employment service, and a national employment service. Would it not be possible to organize that service so that we do not have to pay twice for the same services? Could we not come to an agreement so that the provincial employment services report their labour surplus to a federal central office where the federal authorities could be of some use to the provinces?

• (4:50 p.m.)

We see two bureaucracies. The National Employment Office and the Provincial Employment Office are not in the same building. Each one sees to its own expenditures; each one controls its administration.

Section 13 (c) reads as follows: "immigration". Last night, I was reading Section 92 of the British North America Act, where we can see that the provinces have something to do with immigration, as long as this does not affect legislation passed by the federal parliament; but the provinces have nevertheless a responsibility in the matter of immigration. But we, in the federal parliament, have never in the past recognized this responsibility or this power of the provinces concerning immigration.

The province of Quebec has been forced to take immigrants nobody else wanted. We realized afterwards that these people, after

managing to come to Canada and having worked during six, seven or eight months in the province of Quebec, and especially in Rouyn, Val d'Or or Montreal, ran away to Toronto and Ontario where there is more economic growth.

If the authorities had then taken into consideration the cultural rights of the province of Quebec, we would undoubtedly have had immigrants who would have adjusted themselves more easily to the mentality of the province of Quebec. I see the Minister of Citizenship and Immigration (Mr. Marchand) in the house; I must tell him that I myself heard officials of the immigration office in Quebec city advise immigrants coming from Hungary and Yugoslavia that it would be preferable to learn English instead of French, if they wanted to earn a living more easily in Canada, and that right in the province of Quebec. The Minister of Mines and Technical Surveys (Mr. Pepin) knows that what I say is true.

The best proof of my allegation is that in Noranda, and more especially in Rouyn, where I live, 100 per cent of European immigrants come from Yugoslavia, Hungary, Poland—

The Acting Speaker (Mr. Rinfret): I regret to interrupt the hon. member for Villeneuve, but I think that he is now speaking about immigration policy, while we have before us a bill to define the jurisdiction of the department of manpower and the responsibilities falling on the new minister in the matter of immigration. However, I do not think it is proper, at this time, to discuss the immigration policy of the federal government, even though it is well known that it will be incumbent on the minister of manpower. However, I believe that we should, at this stage, consider the bill before the house.

Mr. Caouette: I thank you, Mr. Speaker. This disturbs me a little, but I was convinced, and I still am, that I am not out of order.

Section 13 (c) concerning the appointment of a minister of manpower reads as follows: "immigration". It seems to me that I have the right to speak about immigration. I am not at all out of order, since the bill itself refers to immigration.

I realize that the immigration policy could be dealt with on another occasion, but nevertheless, we can discuss the present situation in the field of immigration while considering a bill to establish a department of manpower which will look after immigration in addition to manpower, since it is agreed that immigration comes under manpower.

I said that we have Poles, Ukrainians and immigrants of other nationalities in our area where 88 per cent of the people are French Canadians. Those immigrants are compelled to learn English in order to work in our area. They cannot speak a word of French. In fact, very few know any French.

Mr. Speaker, new ministers or incumbents are being appointed without increasing the number of members in the cabinet. In my opinion, it would have been advisable to appoint another minister who might have been called the minister of federal-provincial relations, because we are experiencing some unrest in Canada.

Earlier this afternoon I tried to put a question to the Prime Minister and I asked permission to raise the matter at ten o'clock tonight. A great many people in the province of Quebec are going around making all kinds of statements derogatory to Ottawa. It is high time Ottawa woke up and spoke plainly in order to correct the facts, because the Liberals, especially in the province of Quebec, proclaim that they granted Quebec farmers a price of $4 per hundredweight of industrial milk. Mr. Speaker, this decision was not made in the province of Quebec; Ottawa is paying, but Quebec is now making petty politics out of this matter.

In other fields, the Leader of the Opposition is heard to favour separation in one place and independence in another; elsewhere, he is merely a Canadian. It is impossible to know where he stands. This is what is taking place at present and everybody is wondering where they are heading. A man by the name of Bourgault is campaigning for independence in the province of Quebec at present—

The Acting Speaker (Mr. Rinfret): All members are no doubt interested in provincial politics, but the bill now before the house deals with the creation of four new departments with distinctive jurisdictions. I do not believe members of the house are so interested as all that in the election campaign going on in Quebec, even though they are not indifferent to it. However, we are now considering a bill to define the responsibilities of four new departments.

An hon. Member: Raise the matter at ten o'clock.

Mr. Caouette: Thank you, Mr. Speaker, but I shall come back to this matter tonight at ten o'clock. At any rate, I should like to call

your attention to the fact that I do not wish to meddle in the election campaign now going on in Quebec. I wish to emphasize in this house, however, the need to entrust a department with the responsibility of informing the Canadian people not only in one area, but in the province of Quebec as everywhere else, about the importance of giving responsibilities to Ottawa and what belongs to the federal government, with no discrimination whatsoever.

I said earlier that the present bill does not provide for a new minister for Quebec independence. I heard one of the R.I.N. speakers state in Quebec that all those ministers and departments, in short, all federal laws should be done away with at all costs, that we should withdraw from confederation. The same person said that the withdrawal of Quebec from confederation was not a solution.

• (5:00 p.m.)

The Acting Speaker (Mr. Rinfret): Order. I would ask the hon. member for Villeneuve kindly to speak on the bill now before us, bearing on the organization of four departments which are to be organized now and on which the hon. members are asked to express their views.

I quite understand that the other problem is of importance but when we consider the problem of the RIN as regards the independence of Quebec in relation to the four new departments that have to be created, I hardly believe that such a problem can be of much interest to the hon. members, although it may be quite relevant in an election campaign.

Mr. Caouette: I was just coming to the organization of the fourth department, namely, Indian affairs and northern development.

Now, clause 17 reads as follows:

The duties, powers and functions of the Minister of Indian Affairs and Northern Development.

It seems that this is a close equivalent to the Indian Affairs division now operating in the province of Quebec, Northern Quebec—

—extend to and include all matters over which the parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency of the government of Canada, relating to

(a) Indian affairs;

(b) the Northwest Territories and the Yukon Territory and their resources and affairs;

(c) Eskimo affairs;

Mr. Speaker, there is in the province of Quebec now, talk of Eskimo affairs. In fact, there is considerable talk about it. We have heard a Minister of Natural Resources of Quebec state that Eskimo affairs came under provincial jurisdiction, and I believe that it would be important at this stage to state that those who would liberate the Indians or the Eskimos from Ottawa are not more significant than those who cry for the independence of French Canadians from the Ottawa government. That is why I maintain that I should at least be entitled to refer to some statements made in Quebec and to say that I am not in agreement with those who claim that independence is not a solution but an instrument. Who among us, for instance, would give a razor to a child two or three years old because it is an instrument? It would surely be a dangerous instrument for him. I believe it is time for the federal government to take its responsibility, not get the jitters, and face the facts as they are.

Let us stop deceiving ourselves by saying empty words. Let us take the facts as they are, let us enlighten the population on their existence. That is why I am of the opinion, as I said earlier, that there should have been added a department of federal-provincial relations to those new departments, not a department which is fearful of facing young people, older people, those who are 18 or 21 and who will have the right to vote this year or next. It does not matter whether of not these young people have the right to vote, but we should explain to them clearly what is in their best interest and let them know the actual facts, in short, where we are going. But in order to know where they are going, we must teach and show them. There are people who will follow anywhere, without knowing where they are going. I have heard quite a few young people say: We do not know where we are going, but we are going anyway. And they go along.

Let us consider the situation. That is why it is important to create a department of federal-provincial relations, and this is getting more and more imperative. The government too must realize and recognize that it is high time for these new departments we are creating to take their responsibilities concerning the provinces.

As for the provinces, let us transfer back to them what belongs to them. Under cover of war, in 1939, 1940 or 1942, Ottawa asked for prerogatives, rights—

Mr. Speaker: Order. I think that the hon. member for Villeneuve wants to put forward an argument from the constitutional point of

view to delineate the federal and provincial jurisdictions, but I suggest that he should confine his remarks to the department of Indian affairs and northern development for the moment.

Mr. Caouette: Thank you again, Mr. Speaker; I really think I must be hard-headed, as they say.

I shall return to the department of manpower, because I sincerely believe this involves constitutional matters, and because the duties, powers and functions of the minister mentioned in section 13 conflict with the same powers given to the provincial legislatures.

Under the circumstances, Mr. Speaker, I believe we can discuss the practicability of this clause which states the duties, powers and functions of the department of manpower concerning:

—the development and utilization of mapnower in Canada, employment services; and immigration,

since all these subjects concern the provinces.

Mr. Speaker, I think that from the constitutional point of view, it is about time Ottawa should withdraw from the fields coming under provincial jurisdiction. This was done too often in the past, and it is about to happen again in the future. The province of Quebec, Mr. Speaker, will no longer accept dictates from Ottawa; however, I am sure it will co-operate with Ottawa 100 per cent on matters of general and national interest. Only, there is a right way to act, discuss or negotiate with Quebec just like there is a way to discuss with the other provinces.

Mr. Speaker, I believe the province of Quebec is ready for discussion, even if some of elements are prepared to discuss with no one except themselves, being people who have a high opinion of themselves and none at all about others.

Now, to continue the list of heads of new departments, we have also the Department of Indian Affairs and Northern Development. Here again, as I mentioned earlier—the new minister will be responsible for:

Eskimo affairs; national parks; national battlefields, historic sites and monuments; and migratory birds and other wild life.

The duties are provided in clause 18 as follows:

The Minister of Indian Affairs and Northern Development shall be responsible for

(a) co-ordinating the activities in the Northwest Territories and the Yukon Territory of the several departments, branches and agencies of the Government of Canada;

[Mr. Speaker.]

(b) undertaking, promoting and recommending policies and programs for the further economic and political development of the Northwest Territories and the Yukon Territory; and

(c) fostering, through scientific investigation and technology, knowledge of the Canadian north and of the means of dealing with conditions related to its further development.

As far as my area is concerned, we do not object to the federal government taking the necessary steps so as to authorize the new Minister of Indian Affairs and Northern Development to help as much as possible those coming from the Northwest Territories and the Yukon, but we are concerned about Indian affairs and Eskimo affairs. Eskimos are living in the vicinity of Hudson Bay, in northern Quebec in Ungava. The former Quebec Minister of National Resources stated many times that Eskimo affairs came under Quebec jurisdiction.

Now, the matter has not yet been settled, but it will probably be when a federal-provincial conference is called and several ministers, especially the provincial ministers of natural resources and the minister of Indian affairs and northern development come together. We feel that the federal authorities will then agree that provincial jurisdiction must be respected. The government should act as co-ordinator, as liaison officer among the various Canadion provinces, and induce all Canadians to agree on a policy which will enable the provinces to treat their Eskimos and Indians decently, in accordance with the ways and customs of the provinces concerned.

Mr. Speaker, I have nothing else to say about Bill C-178 which, in fact, as stated by the Prime Minister, will not establish new departments, nor increase the number of ministers, but will merely change the titles of the ministers and give them somewhat different responsibilities from those they had up to now.

We are interested in all departments, in general, but more especially in the new department of manpower. We will keep close watch and we are willing to co-operate with it at all times, even during an election campaign, because the department is independent of the minister.

Mr. Speaker, we are ready to support the department of manpower in every possible way, so that it will be efficient and will co-operate with our provincial department while respecting provincial prerogatives and rights. That is where Ottawa can render its best services to the Canadian people as a

whole, and more especially to the people of the province of Quebec.

• (5:10 p.m.)

[*English*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, the growth in absolute and relative terms of the involvement of the federal government in our economic and social affairs has been great indeed during the past decade. When the Prime Minister calls Bill C-178 a first step in making the executive of the government more efficient, I think members in all corners of the house will perhaps commend that statement and regard the aims of the bill as laudable.

Our leader stated on May 9 some of the principles that we think are required in the whole reorganization of the administration of our federal government. I will not go over many of the things that were stated at that time. I point out, however, as was stated on that occasion, that administrative improvement is no substitute for policy. When the requirements of a complex and growing society move ahead of policy a vacuum is created. That vacuum of necessity must temporarily be filled by ad hoc regulations. This has happened in almost every department of government during the last two or three years.

As an example may I point to the Department of Transport. We have no regional air policy and as a result many areas of Canada are suffering. The only reason I bring that up, and I hope I am not out of order, is that we must not delude ourselves into thinking that improvements in the administrative structure are a substitute for policy directives which have not been forthcoming recently.

I submit there are a number of glaring deficiencies, in Bill C-178 in tidying up some of the problems that have recently manifested themselves. The Prime Minister suggested that this bill was only one of the first steps in what was envisaged. I think there were serious deficiencies even in his statement because he did not inform the house whether the government had considered the matters I have raised.

For example, I hope that serious consideration has been given to improving the response by the whole government organization to parliamentary directives. The public accounts committee has brought in reports which have been concurred in by the house. Yet we sometimes find that several years later there has been no response by government departments in keeping with such concurrence. Surely when a standing committee of the house makes a report containing several recommendations and that report is concurred in by this house, such recommendations become directives that the government is obliged to carry out.

I am not sure whether the Minister of National Revenue is shaking his head at that suggestion. If the government has become so arrogant that it finds it unnecessary to respond to the directives of the house, then I suggest that parliamentary democracy has degenerated to a great extent in this country. I hope that is not so. I am not on the public accounts committee this session. I do read some of its reports and I talk to some of its members. They are deeply disturbed that such recommendations have been ignored year after year. Without being unduly critical I therefore suggest that the government should have thought of ways and means of bringing about a better response and closer liaison between government departments and parliament so that such directives will not be ignored from session to session and from parliament to parliament.

In many areas I find myself to some degree in agreement with what was said by the hon. member for York South (Mr. Lewis). I refer to the protection which it is suggested should be extended to consumers in order to protect them from the various abuses that have grown up. I may also say that in certain areas I disagree vigorously with the suggestions put forward by the hon. member for York South. For example, he complained vehemently and almost bitterly that the government had not set up a department of economic and social planning for Canada. If the government as a whole has any purpose at all it must be involved in the planning of our economic and social structure. If the hon. member is disappointed because there is not one department with super authority over all other departments to issue directives respecting planning, then, Mr. Speaker, I hope he remains disappointed for a long time to come.

We do not want, I think, any super authorities in the government structure with power to regulate certain departments and set certain courses. This is the function of cabinet or of such agencies or commissions and so on which have been set up by cabinet to study problems and to make recommendations. There are and have been sufficient commissions set up to study a large number

of problems in this country. I think the final responsibility lies with the cabinet and I hope it will remain there. In fact, I hope we never get to the stage when we have a super authority giving directives to other departments. That power must remain with the cabinet which is responsible to parliament.

There is some contradiction in the suggestion by the hon. member for York South. He seems to build his argument on the basis that as modern society develops and becomes more complex it is difficult and perhaps impossible not only for the Prime Minister but even for other ministers to appreciate completely all that is required to cope with this development. Then the hon. member turns around and suggests that a certain department should be created to oversee such development. That, I think, is contradictory.

I am not drawing this parallel for derogatory purposes, but other nations have tried this kind of planning, this kind of centralized control, if you like, and they have failed. This system has not given the people the volume of goods and services necessary to raise standards of living.

• (5:20 p.m.)

This sort of planning fails because other levels in the economic structure object to it. This is one point on which we in this party completely disagree with the hon. member for York South.

There is one area where we feel there is real need for government concern. I have in mind the protection of consumers, and here we are in agreement with the attitude taken by the hon. member. Of the mail coming to me as a member of parliament the proportion concerned with consumer matters, price increases, credit problems and the like is larger than I have ever experienced. I presume this concern is similarly reflected in the mail received by hon. members representing constituencies in all parts of Canada. This being the case, the government should have been keenly aware of the situation and borne it in mind in its plans for reorganization. Nevertheless there is nothing in the bill to indicate that the matter has been even considered. There was little or nothing in the Prime Minister's statement to show that serious consideration was ever given to the introduction of legislation in the interest of consumers.

Whether a department of consumer affairs is necessary, I do not know. In one area, that of combines investigation, the administration has not been satisfactory. Whenever there has been a significant rise in the cost of living there have been complaints in the house that the federal government through its agency has not looked closely enough at the reasons for these price increases in an attempt to find out whether or not they were justified. Looking at company reports we find there have been significant increases in profits recently. I am not against profits. But I am against agreements which remove competition between companies. If this has been going on or if there have been indications of this practice, the federal government should be doing something about it. But there is no indication either in the bill or in the statement which the Prime Minister made that the government has given the subject any attention.

A number of abuses have come to light in connection with consumer credit. I suggest that increasingly every year in all walks of life Canadians are getting into difficulty because of conditional sales and consumer credit. I did not expect that measures to deal with this situation would be set out in the bill, but I did hope that the government would have indicated concern. It is true that a joint committee has been set up with the Senate to inquire into this subject and I suppose that within a short time the committee will be making a report with recommendations to this house and to the other place. This bill does not indicate which department would have the responsibility for implementing any such recommendations. The matter is not one which should be ignored when a new government organization is considered. It is too serious for that; it has assumed crisis proportions.

I shall not continue much longer. One could examine each of the new ministries, criticize some of the transfers and so on. The Prime Minister has told us that this is only the first step, that there will be other changes under the act dealing with the transfer of duties. The leader of our party suggested on May 9 that one important change which could be made would be to appoint two categories of ministers. This has been done in other countries, certainly in the United Kingdom, and I believe the system is effective in dealing with the growing complexities of modern society. Here again we agree with the hon. member for York South.

I would point out that probably the largest department in government today, the Department of Transport, is not to be divided. If

there is not to be a division made in the responsibilities now assigned to it, I hope arrangements will at least be made to appoint an associate minister to undertake specific responsibilities in the department just as the Associate Minister of National Defence does in the Department of National Defence.

We all realize that air transport in Canada, both passengers and freight, is growing rapidly. Members from all parties have, I believe, expressed a desire that there should be some division of responsibility to take account of this increase since it is becoming impossible for one minister to be familiar with every aspect of the department as it is now organized. I realize that the Minister without Portfolio (Mr. Turner) has been working very closely for some time with the Minister of Transport (Mr. Pickersgill) but it seems to me that when we are dealing with a bill intended to carry out government reorganization this is one department where provision should have been made officially at least for an associate minister if not for a clearcut division.

One other difficulty arises in connection with this measure. Schedule A includes a list of the various acts responsibility for which is assigned to the new departments. I suggest there should also be a complete list of acts indicating the departments to which they are assigned. I suppose that by a long process of deduction one could determine which of the acts are left within the purview of departments not superseded but it would be much more convenient to have such a list.

• (5:30 p.m.)

Finally, I simply say again that we do not regard a reorganization of the administrative responsibilities of the government as a substitute for policy. We still need leadership. We still need action by the government to bring in legislation on the basis of well-considered plans to meet the requirements of the future. We hope that in the days ahead there will be amendments to this legislation which will deal with the Department of Transport and, furthermore, which will deal also with some of the matters I have raised respecting consumers and their problems which have manifested themselves in very recent days.

Mr. Speaker: The hon. member for Qu'Appelle.

Mr. Baldwin: Mr. Speaker—

Mr. Speaker: Does the hon. member for Peace River wish to refer to the point of order he raised earlier today?

Mr. Baldwin: Yes, Mr. Speaker. Having raised it before, I thought that as a matter of courtesy the debate should proceed to the point that one member of each party would have had the opportunity to speak, but I also thought it would be improper for me not to pursue the point of order I raised earlier. Your Honour may wish to take it under advisement and give your decision at some other time or Your Honour may wish to deal with the matter now.

Quite honestly I feel there is a serious defect in the bill before us and I should like very briefly to put before you the detail of the defect. In my view it is not lawful for us, under the provisions of section 54 of the British North America Act, to adopt this bill which deals with the appropriation of part of the public revenue, because it has not been adequately preceded by the form of resolution which it should have had as a foundation so that this bill would be properly in the custody of this house for discussion. The point raised at the time of consideration of the resolution was that the resolution, which purported to permit the house to deal among other things with the establishment of a department of forestry and rural development and the establishment of a minister of that department, failed to make provision for this and therefore the bill, in my submission, is tainted with illegality and we cannot consider it.

I do not think I need quote the precedents; they are contained in citation 243 and following of Bourinot. I should like to refer Your Honour to Bill C-178 which purports to establish several new cabinet positions and in doing so abolishes in several instances the old positions through repeal of the pertinent sections of other legislation. With regard to the Department of Forestry I should like to point out that clause 26 of Bill C-178 sets out in some detail a number of purported amendments to the Forestry Act. In part there is created a new ministry, a new department and a new minister, the minister of forestry and rural development. At the same time and by the same means there are clauses which repeal the existing provisions of the Forestry Act pursuant to which the minister is established. My simple proposition to Your Honour is that once you have, by the repeal of those sections which created the minister, caused the office to be abolished it is essential to create a new minister and a new department. In doing so, in order to provide for the salaries and payment of costs in respect of

the department and in particular in respect of the minister, you must provide through a money bill for these salaries and costs.

This is quite apparent, because if Your Honour will examine clause 35 of Bill C-178 you will see that sections 4 and 5 of the Salaries Act are repealed and the following is substituted therefor; in other words, the position of the Minister of Forestry is repealed and the sections of the Salaries Act which provide for his salary as repealed. In order to establish a new minister we must have legislation to establish a salary for him, and I say that quite plainly this involves an appropriation by this house of a certain sum of money for the salary of this new minister. I suggest that under those conditions it is absolutely necessary that the resolution contain as a vital part thereof a provision that there is to be a minister and there is to be a salary. I will go further than that.

Mr. Olson: Mr. Speaker, may I ask the hon. member a question?

Mr. Baldwin: Surely.

Mr. Olson: May I ask whether it is just these words pertaining to the Ministry of Forestry in the resolution to which he objects or are there others?

Mr. Baldwin: I will develop that argument. I will tell the hon. member for Medicine Hat that in my view it is quite possible that the difficulty in this instance probably taints the whole bill with illegality. This is not a picayune technical argument. I believe it is our duty to make sure that legislation which is passed by this house is in the proper form. The powers to be given to the new minister of forestry and rural development are very considerable and contain the right to interfere with individuals and property belonging to individuals. We well might say and officials of the Department of Justice might say at first blush that the bill is proper in its present form and should be passed. But anyone whose rights are affected surely has a right to challenge this legislation, and I think we would be derelict in our duty if we did not bring these matters to the attention of the house and Your Honour so that when this bill leaves this chamber it will be in proper form.

I was about to refer Your Honour to clause 6 on page 7 of the bill. There the new minister of forestry and rural development has given to him certain powers and authorities which by implication at least, and I believe expressly, involve an expenditure of money. The minister may conduct economic studies relating to the forest resources, forest industries and marketing of forest products, make investigations designed to aid the forest industries and woodlot owners of Canada and assist external aid programs relating to forestry. If this section stands by itself as an amendment to the Forestry Act, I suggest that the government, under the terms of section 54 of the British North America Act, would be compelled to precede this bill by a financial resolution. So we have two counts; first, that there is established a new minister who was not in existence before and there is provision for his salary and, second, we have given that minister a power in respect of the expenditure of money which did not exist before. I submit that the resolution which we considered previously was defective, if it is to be used as a foundation for this bill. I think this is very significant.

• (5:40 p.m.)

Let me conclude by saying that six new ministerial positions are being created; yet the government has seen fit in respect of five new ministers with new titles to refer to them in the resolution but not to mention specifically the other new department and minister. In my opinion there is not the slightest distinction to be found between the five new departments and the department of forestry and rural development. If it is essential for the legality of this bill to include five in the resolution, why should it not be just as essential to include the department of forestry and rural development?

If it is correct that under the wording of section 54 of the B.N.A. Act it shall not be lawful for the House of Commons to adopt or pass any bill of this kind there is a strong supposition that the whole bill may be tainted with illegality and that this house has no business at this time to adopt it.

I conclude on that note. I think there is a valid complaint in that the government's procedure is defective. I believe that the resolution was defective, and that the bill following cannot properly be placed before us in that it fails to provide a proper foundation for legislation because of the lack of reference to the ministry of forestry and rural development.

Mr. Benson: Mr. Speaker, on the point of order raised by the hon. member I should like to state that I have again checked with a member of the Department of Justice and the House of Commons law clerk. I am advised

by both sources that the resolution was in proper form and was broad enough to cover the whole bill and the specific point raised by the hon. member. There is no new financial expenditure authorized by the bill in respect of the department of forestry. The minister has the power to operate under existing forestry legislation or under the ARDA legislation. Otherwise he must receive specific authority for expenditure under appropriation acts.

In general the forestry changes relate to a change in the name of the minister. Clause 35 describes the minister's salary as new but there is no increase in the ministerial salary. Only a change in the name of the minister is involved. Therefore I maintain that the resolution is in proper order and that we can proceed with a discussion of this legislation in the terms in which it has been presented to this house.

Mr. Baldwin: May I ask the minister a question? If he is relying on the argument he has just presented, would it not be proper to say that we did not need a resolution because that argument applies to other changes made in other ministerial positions?

Mr. Benson: I do not think that is the case because in other cases new ministries are created rather than there being merely a change of names. The registrar general, for example, involves an entirely new department, as does the appointment of the president of the treasury board. These are entirely new appointments involving new expenditures of money and must, therefore, be included in the resolution.

Mr. Olson: Mr. Speaker, I must disagree with the Minister of National Revenue because the Solicitor General of Canada is named in the resolution and this does not involve the creation of a new department.

Mr. Benson: On a point of order, this will involve a new department as there has never been a Solicitor General's department.

Mr. Olson: In so far as all of these departments are concerned, by using the argument advanced by the Minister of National Revenue one could interpret the resolution as being merely one to change names, as has been suggested in so far as the Minister of Forestry is concerned. Let me say this so that the hon. member for Peace River will understand the question I asked him. I do not regard this point of order as being picayune or niggling.

I think this is a very serious matter, and when I asked the hon. member for Peace River whether the point he raised was the only point to which he took exception I was seeking information. I think we should be very careful in considering this resolution because I think there could be lengthy and involved discussion about the legality of this legislation if, as the hon. member for Peace River suggested, someone at a future date should challenge the legality of a minister's position. We must concern ourselves about the legality of future functions and actions of ministers under the authority of the proposed legislation.

I do not intend to repeat all or part of the case advanced by the hon. member for Peace River because I think he has examined the situation very carefully. In my view he has put forward a sound case which should be examined again very carefully to make sure that this proposed legislation will stand up in law. It may be that a minor amendment to the resolution is required in order to make certain that this legislation will be legal. If that is the case I hope we can find some simple way of correcting this small yet important omission in order to prevent any difficulty in the future.

Mr. Nasserden: Mr. Speaker, I think it should be remembered, in view of the fact the minister referred to the law clerk of the House of Commons in this regard, that many private members' bills have been turned down for the very reason which has been brought forward in respect of this legislation.

Mr. Benson: Mr. Speaker, perhaps I might correct a misunderstanding. I meant to indicate that I had relied on the opinion of a law officer of the crown and that the law clerk was consulted in order to gain an extra opinion in support of our belief.

Mr. Nasserden: That does not change the fact that a number of private members' bills have been turned down for the same reasons advanced in regard to the legislation now before us. A very minor change would bring the resolution into order and I cannot understand why the government should not propose such a change.

Mr. Hamilton: Mr. Speaker, at the outset I wish to indicate that I am speaking on the point of order and not on second reading. The aspect of this whole debate that bothers me relates to the fact that the government suggests that since there is no change in the

duties of the Minister of Forestry these duties can be transferred under the Transfer of Duties Act from one department to another without involving any additional expenditure of money. It seems to me there was on the order paper at one time an order setting up a department of forestry and rural development and that it was not proceeded with because parliament was prorogued.

In this legislation a department of Indian affairs and northern development is described; yet there is not one single duty listed as being the responsibility of this department which was not formerly the responsibility of another department. Therefore all the duties of the new minister are duties which were listed and performed as responsibilities of a minister of another department. In spite of that fact, why was this department mentioned in the resolution?

The point taken by the hon. member for Peace River, that we should not rush ahead and discuss this bill and put it into law without being sure as to its legality, is a good one. In future the courts of this country, including the Supreme Court of Canada, may decide that we were not competent to deal with this matter because we failed to deal adequately with a money resolution and make it legal. In that event we would all look kind of silly.

• (5:50 p.m.)

I hope that in your consideration of this matter, Mr. Speaker, the two points I have raised will be kept in mind. First, was there a resolution on the order paper in a previous parliament setting up a department of forestry and rural development and, if so, for what reason? The second is the question I have just raised about the department of Indian affairs and northern development. What duties does the new department have that were not included in those of the previous department? Also, if it was necessary to mention the department of Indian affairs and northern development in the resolution, was it not necessary to mention the department of forestry and rural development? Those are the two points I wish to raise.

Mr. Baldwin: Mr. Speaker, may I just say one thing more to make certain that my points are quite clear. Under clause 26 of the bill we will in effect be repealing those sections of the Forestry Act which created the Minister of Forestry and gave him his title. He ceases to exist when this bill is passed. It is then essential for us to create a new minister with the title of minister of forestry and rural development. It may be that there is a certain similarity in the titles but there is no doubt that there is here a completely additional function. When we create this new minister we must provide for his salary and to provide for his salary I submit that we must have a money resolution.

[*Translation*]

Hon. Guy Favreau (President of the Privy Council): Mr. Speaker, I think that we must ask ourselves what part of this bill concerns the Department of Forestry.

What we are faced with here is simply a deliberate battle of words about an amendment to the Department of Forestry Act which is neither of a fundamental nor of an essential character.

That is so true that if you refer to clause 26, paragraph 1, it will be obvious that the objective is to change the long title as well as the short title of the department to that of Department of Forestry Development and Research. As far as clause 35 is concerned, it is true that it repeals or seems to repeal sections 4 and 5 of the Salaries Act. But, it must be kept in mind that this legislation does not create any additional department, such as a federal department which entails an expenditure for a possible additional salary, if there is a minister outside that department, and which will also entail the required expenditure for a deputy minister's salary, if this legislation, I repeat, did not create any additional department, but dealt only with the amendment to the Forestry Department Act, clause 35 would not have been included.

Clause 35 is there not to create a salary for a man who is now Minister of Forestry and whose title will change, but only to include that salary in the list which includes the salaries of new ministers.

Consequently, I think that the criterion is this: if the amendment to the Forestry Department Act was not included in this bill and was introduced in the house through a separate bill, there would have been no need, when this bill was introduced, for an amendment through a resolution.

I think that, under the circumstances, even if the procedure is different, we are in fact dealing only with an amendment to the title and possibly to a certain definition of the responsibilities, but without any additional expenditure already provided for by an act of parliament.

[*English*]

Mr. Speaker: If there are no further contributions to the point of order perhaps the Chair might be given an opportunity to survey the situation and study the very learned arguments advanced by the hon. members. This might be done during the private members' hour. If hon. members are in agreement, we might at this point announce the business for the adjournment debate and then go on to private members' hour.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows:

[*Translation*]

The hon. member for Chapleau, destination of butter stored in shed.

[*English*]

The hon. member for Kootenay West (Mr. Herridge), Canadian Broadcasting Corporation—dismissal of producer of Columbia River film.

[*Translation*]

The hon. member for Sherbrooke, Industry—Assembly of Russian automobiles in Canada.

[*English*]

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, public bills.

PRIVATE BILLS

INCOME LIFE INSURANCE COMPANY OF CANADA

Mr. Joseph Macaluso (Hamilton West) moved the second reading of Bill No. S-11, to incorporate Income Life Insurance Company of Canada.

He said: Mr. Speaker, Bill No. S-11 is an act to incorporate Income Life Insurance Company of Canada. For the information of members of the house, this bill is in the standard form. This is a Canadian owned and operated company which was incorporated under the Corporations Act of Ontario by letters patent dated December 9, 1963, with an authorized capital of $10 million. A public underwriting of the shares of this company was completed during the spring of 1964, raising approximately $2,750,000. The company was licensed to carry on business by the province of Ontario in January, 1964, and at the present time is licensed also in the provinces of British Columbia, Alberta and Saskatchewan.

The present directors of the company are the persons listed in the bill as petitioners for the new federal company bearing the same name. The head office of the company is at 75 James Street South in the city of Hamilton, province of Ontario, where a full time administrative staff is maintained for the purposes of underwriting claims, accounting, actuarial and other required services. The management and staff of Income Life consist of full time employees each of whom is fully experienced in the insurance field.

The following remarks apply not only to Bill No. S-11 but to the following Bill, No. S-12. I make them now so they need not be made when Bill No. S-12 comes before the house for consideration. The prime purpose of Income Disability and Reinsurance Company of Canada, which is the subject matter of Bill No. S-12, is to underwrite accident and sickness insurance while the prime purpose of Income Life is to underwrite life insurance. The federal acts of incorporation request that each company be empowered to underwrite life, accident and sickness insurance. These two companies, which are incorporated under the Corporations Act of the province of Ontario, operate in conjunction with each other and the requested powers are required to enable each of the companies to be able to reinsure coverages written by the other.

• (6:00 p.m.)

The two companies share office space at head office and have certain sole employees and certain joint employees. They employ in total 62 people on a full time basis. In addition, Income Disability is at the present time represented by 70 agents holding accident and health licences and Income Life is represented by 87 agents holding life licences. It is the intention of Income Life Insurance Company of Canada to release its provincial charter and operate only under the federal charter if the bill is approved by this house. These are the facts as they apply to the Income Life Insurance Company of Canada. There is also the provision of a French name for the company. I shall try to give hon.

members any other information they may desire.

Mr. Frank Howard (Skeena): Mr. Speaker, while the sponsor of the bill was making his introductory remarks I was following the words of the sponsor of the bill in the other place as they appear in the Senate debates for February 9. With one or two exceptions with which I should like to deal Senator McDonald, who was the sponsor of the bill in the other place, said almost exactly the same thing as the sponsor of the bill here. I should like to pose this question to the hon. member now because I followed what he said rather carefully. I took down his words and I believe he said that Income Life Insurance Company was incorporated under the Corporations Act of Canada. I noticed in the remarks of Senator McDonald that he said the company was incorporated under the Corporations Act of Ontario.

Mr. Macaluso: If the hon. member for Skeena will permit, my intention was to say that Income Life Insurance Company of Canada—

Mr. Deputy Speaker: Order, please. Does the hon. member wish to ask a question?

Mr. Macaluso: The statement is correct, the Corporations Act of Ontario.

Mr. Deputy Speaker: I point out to the hon. member that if he wishes to ask a question he may do so. However, if the hon. member for Hamilton West makes a speech he closes the debate.

Mr. Howard: We certainly would not want the hon. gentleman to close the debate at this stage. There is one other extremely minor point with which I shall not bother to deal because it is not an inconsistency in itself but merely a difference in the manner of wording as between the sponsor of the bill here and the sponsor in the Senate.

Actually, Mr. Speaker, we are not dealing here with one company but with four companies. Two of these companies are incorporated under the Ontario Corporations Act and two of them are involved in the bill with which we are now dealing and Bill No. S-12. This is a rather unusual situation in that we have to concern ourselves with the intricate operations of these companies. Incidentally, these companies have their offices in the same place and have the same employees, and presumably these employees will be employed by both companies if and when the bill before us passes and if and when Bill No. S-12 is passed.

I do not raise this point by way of criticism, but the uniqueness of the situation makes me wonder why the Senate, when the bill was referred to the standing committee on banking and commerce, did not keep minutes of the proceedings of the committee. This would have enabled the public and members of this house to make some determination as to the correctness or otherwise of passing a bill as unique as this one. I did not look through the various proceedings of the other place to ascertain whether or not such a report existed. I made inquiry of a reliable source and the person, who I am sure would have known of this had it happened, informed me that there were no minutes of proceedings available of what took place in that committee. We are left in the dark. We have before us only the rather brief statement of the hon. member for Hamilton West (Mr. Macaluso) who is sponsoring the bill here.

I submit when these companies desire to petition parliament for incorporation it is not good enough to say simply that a similar company was incorporated in Ontario a couple of years ago and now they want to incorporate another company with the same name presumably in order to do business throughout Canada. At the same time we have an indication there is a connection betweeen Income Life Insurance Company and a company called Income Disability and Reinsurance Company of Canada. This connection is so intimate that the companies share the same office building, have the same employees and simply scratch each other's back in the insurance field. One company is underwriting—this term is not familiar to me and I do not really know what it means from an insurance company's point of view—policies and the other company is perhaps reinsuring the business written by the first company. Perhaps this matter will be cleared up when the sponsor of the bill closes the debate, as he has the right to do at second reading stage. Perhaps he will allay the fears some of us have about the manner in which insurance companies, whether they be life insurance, accident, sickness or any other kind, operate in this nation.

Here is a company which was incorporated in December, 1963, a little more than two years ago and received its licence to carry on business in January, 1964. Public subscription of shares was completed in the spring of 1964

when the company raised exactly $2.75 million. Presumably the company was incorporated under Ontario law because at that time it wanted to operate solely in the province of Ontario. It has extended its activities to the provinces of British Columbia, Alberta and Saskatchewan and now believes the insurance field is so lucrative, as a result of the connection it has with Income Disability and Reinsurance Company, that it wants to extend its operations to all of Canada. This is the understanding I have of the legal position of the company. If it is incorporated by the parliament of Canada, then presumably it has a charter to do business across the nation. If it is incorporated under the laws of one province, then it only has legal authority to do business in that province unless another province grants it a licence to do business.

On more than one occasion I have referred to the terrific drain of the savings of Canadians through approaches by all insurance companies for one purpose or another. Every time another insurance company comes into existence it has to use its income from premiums or from share capital subscriptions to pay its employees, its agents, its officers, rent, telephone and all the other costs of doing business. As each new company comes into existence, the more insurance that is sold the greater the percentage of the individual's premiums which goes toward not insuring himself or his property or whatever it is he seeks to insure but toward the operation of the particular company with which he is insured and to pay for whatever friendly financial relationships exist between the company with which he is insured and some other company.

• (6:10 p.m.)

I do not know how this works, but surely if there is a degree of friendliness between the company currently seeking incorporation, Income Life Insurance Company of Canada, and the company known as Income Disability and Reinsurance Company of Canada, a friendliness which was disclosed to us by the sponsor of the bill, then presumably there is some transfer of funds back and forth. That may or may not be the case but it is something with which I am concerned and I should like to have the matter cleared up.

As I read the remarks of Senator McDonald, which were the same as those made by the hon. member for Hamilton West, he said that the prime purpose of Income Disability and Reinsurance Company was—

Mr. Deputy Speaker: Order, please. The Chair has allowed some laxity in regard to references to debates in the other house but it is the wish of the Chair that this procedure not be carried too far.

Mr. Howard: Mr. Speaker, I do not want to argue the point at this time but it has been the persistent practice in this house to refer to debates in the other place and in committees of the Senate in making arguments.

Mr. Deputy Speaker: Order. In that case I shall have to read to the hon. member citation 149(b) of Beauchesne 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: . . .
>
> (b) refer to any debate in the Senate—

I might add that, while I do not have at my fingertips at the moment the number of cases where this point has been brought up in the House of Commons in the last two or three years, there have been a number of them. I would ask the hon. member to abide as closely as possible by this regulation.

Mr. Howard: With due respect and deference to Your Honour, I followed your reading of citation 149(b) and, in speaking to the point of order you have raised, if my memory serves me correctly this is the precise reference which has been brought into question on a number of occasions in the past. While the cases have differed one from the other in a descriptive way, I submit it has been held that the following is the case.

Let me refer once again to the citation to which Your Honour referred which says that a member, while speaking, must not:

> (b) refer to any debate in the Senate, but he may refer to the official printed records of the upper house—

I have always understood it to be the case that the upper house to which reference is made in citation 149(b), and the Senate are synonymous. I do not understand the use of two descriptive phrases, but I had understood that reference to the official printed records of the upper house was permissible and that is what I am doing. I am quoting from the official printed record of the debates of the Senate.

Mr. Deputy Speaker: I recognize the difficulty the hon. member is having in reading citation 149 (b). However, I am sure I am

correct in saying that when Beauchesne refers to the official printed records of the upper house, or of this house in fact, the official printed records refer to the minutes in the *Journals*, not to the reports of the debates.

Mr. Howard: Mr. Speaker, that simply has not been the ruling of successive Speakers over the years. We were involved in lengthy discussions in the past in which we made references to and quotation from the official printed records of the Senate and its committees. In the conduct of our business in this house when considering private bills such as the one before us now it has regularly been the practice to look at, refer to and quote from the proceedings both of the Senate and its committees in their dealings with matters with which this house also deals. After many years of following one course I submit that to embark now upon another course and to say that it is not permissible to do that which we have been doing for as long as I have been a member is not a correct ruling. I do not want to argue the point with Your Honour or to persist unduly in causing some altercation or disagreement between Your Honour and myself, but I do submit that the practice of the past in this chamber is the one which we should follow.

Mr. Deputy Speaker: Perhaps I could come back to my original statement to the hon. member and say that there has been some laxity in this regard. I have allowed him to make such reference today, though I have requested him not to carry it too far. However, in view of what the hon. member has just said perhaps he would want me to get an official ruling on this point. I shall undertake to do that.

Mr. Barnett: Mr. Speaker, inasmuch as this matter is going to be taken under consideration, might I raise a question which has always been in my mind in connection with your ruling? My understanding has always been that the rules prevented us from making any comment on or reference to a debate which was in progress in the other place. In other words, if we in this chamber were to carry on a running debate with hon. gentlemen in the other place, that understandably would be a contravention of the rules which establish the relationship between the two houses. However, I thought that reference to a debate which had been concluded and was part of the record of the other place, being something which had already transpired, could properly be made in the course of discussing issues and by way of illustration or argument in this chamber.

Mr. Howard: Mr. Speaker, before you raised the point of order in connection with what I was doing I had been dealing with the relationship between Income Life Insurance Company of Canada and Income Disability and Reinsurance Company of Canada and statements to the effect that the prime purpose of Income Disability and Reinsurance Company was to underwrite accident and sickness insurance while the prime purpose of Income Life Insurance Company was to underwrite life insurance.

• (6:20 p.m.)

The proposed federal acts of incorporation require that the companies referred to in Bills S-11 and S-12 be empowered to underwrite life, accident and sickness insurance. The two existing companies operate in conjunction with each other. The powers requested are to enable each of the companies to be able to reinsure coverages written by the other.

I wish to pose this question. In the course of one company's reinsuring coverages written by the other, what happens to the insurance charges, premiums and commissions to the agent of the reinsuring company? If these are extracted from anybody they must be extracted eventually from the premium payer, if there is one. There may not be one. This sort of thing may be a straight friendly relationship between one company and the other.

Mr. Macaluso: It is business.

Mr. Howard: I am glad that the hon. member distinguishes between a friendly relationship and a business relationship. This, to me, is a straight business arrangement. No money passes hands. There is no income respecting agents' fees. There is no reflection in the reinsurance premium of staff salaries or salaries paid to the board of directors of the reinsuring company. There is nothing like that. If there is I should like to know about it in as much detail as possible before we proceed to give second reading to either of these bills.

We normally deal with bills incorporating one company. Nobody has disclosed to us the ramifications and interests of other insurance companies. Here we have a direct statement that there is a connection, that one company helps the other by engaging in reinsurance

programs. I certainly want a lengthy explanation of that before we proceed to do anything else.

I cannot refer to the debates of the other place in this regard. However, as I read the remarks of the senator who sponsored the bill he did not mention anything about this particular aspect. He just talked about one company being incorporated under provincial law and the other one being incorporated under federal law.

Mr. Macaluso: You should read what it says on page 143 about reinsurance.

Mr. Howard: Perhaps my hon. friend would be kind enough to pose his remark in the form of a question so that I can understand it.

Mr. Macaluso: My hon. friend should read the second column, half way down on page 143, just before the translation where it says:

—the requested powers are required so as to enable each of the companies to be able to reinsure coverages written by the other.

Mr. Howard: My hon. friend has transgressed the rules. He has referred to a debate in the other place. Good heavens! Had the hon. member been listening he would have heard me say that I could not refer to the debates of the other place. I could not refer to the point I have raised even if I wished to. The debates are silent on this matter. The matter I am talking about is the extinguishing of the operation of the so-called provincial company. The debates in the other place do not cover that at all. They do not even mention that situation.

The sponsor of the bill stated that it was the intention of Income Life Insurance Company, incorporated under the Ontario law, to cease operation, relinquish its charter and conduct all its business under a company to be incorporated by Bill No. S-11. This raises an extremely interesting point.

Mr. Deputy Speaker: Order, please. The time allotted to the hon. member has expired.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was not here when the hon. member introduced his bill and therefore I am not aware whether he read the remarks in the debates of the other place credited to Senator McDonald. I am of the opinion that this is one bill on which there should have been a great deal more detail than has been provided with regard to some other bills which have been recently introduced in this house. We have seen bills recently introduced for church purposes which have gone into extensive detail in 70 or 80 clauses, the effect being to allow the bodies incorporated to engage in a wide diversity of businesses and interests. The purposes of this company have been encompassed in ten sections, two or three of which are stock clauses taken from the form that insurance company bills are advised to follow.

I understand this company is a provincial company already in operation but which wishes to extend its operations into the national field through a federal charter. It will be seen that the provincial company has acquired considerable capital. I presume such capital will be transferred or in some other way brought into the company before us in this bill. As soon as $1,750 is subscribed with Income Life Insurance Company a general meeting can be held and a board of directors can be elected. There is also a provision for a capitalization of $1,736,800, which amount must be subscribed and paid.

I am not sure whether this company will continue operating in the field previously covered by the provincial charter. A large amount of money obviously has to be put up by the provincial company. It obviously will be put up, making this company self-owned. It will be no different except that it will operate under a federal charter as well as under a provincial charter.

A number of things strike me as being odd about this company. One is that incorporation is being sought by two insurance executives and a trust executive. These three men, I presume, are the senior executives of the company proposed to be incorporated. They are also the same individuals who are connected with the second incorporation which is for a company to work in close association with this one.

We are asked to incorporate Income Life Insurance Company of Canada. I do not know whether they are running out of names. There are thousands of these companies established and it may be there are no names left. I wish the sponsor had indicated why this company wants to be called the Income Life Insurance Company. At first glance the name would indicate that this company is going into a new field, that of providing protection for income. Yet nowhere in the bill do I find an indication that the company does intend to offer this type of insurance.

Private Bills

• (6:30 p.m.)

The house should be cautious about allowing a company to use words such as "Income Life" if they do not describe the type of insurance it intends to sell. If this company proposes to engage in the insurance or protection of income the name is be appropriate. If it is to be a life insurance company I doubt whether that is so; in fact, I think it would be altogether inappropriate. Obviously anyone who takes out a life insurance policy is not protecting his income. The only way to collect is by dying and then, of course, he has no income.

It is foolish to allow names to be used when they do not mean what they say. If this company were to be called the Brunning Life Insurance Company it would make sense because it is Mr. Brunning who is asking for incorporation and it would be his company if he could get enough people to join him in raising the $1,750 for incorporation, which might not be difficult.

We have been told that there is a similarity between the two bills, but in the case of the second bill $2,500 has to be raised in connection with incorporation and the appointment of a provisional board of directors. I wish it had been explained to us why a company which indicates it will have a capitalization of at least $1,736,800 is required to have only $1,750 before electing directors. I presume some members of parliament could start a finance company. By the time we had paid the parliamentary fees and other expenses we could have an insurance company of some description at a cost of not much more than $1,000. Then we need only find enough people to subscribe and increase the treasury to the tune of close to $2 million and we would be in operation. This would probably be very easy to do. Once you had a charter for $2,000 it would be easy to get assistance by reinsurance in raising the necessary capitalization.

This sort of thing is not in the interests of the Canadian public or of the individual clients. These insurance companies do not necessarily provide the type of insurance one should expect from their names. They are often general insurance companies. This company says it will be happy to carry out reinsurance. The initial company would be able to issue insurance, the second company would be able to reinsure and the money would be used in a third company, exactly the same money in each case.

I do not know whether this is a bona fide company. It sounds to me a little like a

[Mr. Peters.]

fly-by-night finance corporation which has half a dozen businesses in one office, selling one thing and another, and at the bottom you see it is also a collection agency for the bad debts which may be incurred and when the company goes out of business someone else takes it over. I am not suggesting this company is about to go out of business or anything of that nature but I do not think it is serving any purpose.

This is another role which the government itself must consider, the creation of a new company to preserve this sort of wealth. The $2 million involved here might just as well be added to the capital of one of the existing companies. If it is not to be used for the general good it merely means that this money is drained away from productive use, money which might have been used for national purposes in other fields. We should carefully consider the amount of money which these insurance companies reinvest in the nation. In my opinion they are more interested in second or even third mortgages earning a fantastically high rate of interest than they are in providing life insurance which is only incidental in the accumulation of a large sum to be used perhaps against the same people who put up the money in the first place and made possible the collection of such a large sum.

I believe there is a role for income insurance companies in Canada. Everyone is taking part in a "switcheroo" as the provinces begin to cover sickness and accident by their own insurance policies and those companies which had attached life insurance to such policies are finding that the coverage is no longer desirable or necessary in the eyes of subscribers. Consequently they are changing to new forms of insurance coverage.

For this reason the word "Income" should not be used by this company as part of its title and the sponsor should be prepared to substitute something else. I am opposed to using the word "Income" in this instance because it may be used by other companies; it is a misnomer and will lead to confusion. It amounts to misrepresentation when this type of insurance is not provided.

I suppose it is possible to have income life insurance which would mean that income was protected for life. But this is not what we normally consider life insurance to be. If this is the case, however, the present bill does not meet my requirements because the operation of a project of this kind is not explained. I have read the legislation covering insurance

companies in both Britain and Canada. I would suggest that the particular piece of Canadian legislation which was introduced in 1956 and amended in following years does not contain sections which correct the situation we are likely to encounter in connection with the proposal before us. Unless particular provision is made in the bill before us, income insurance is not the type of insurance which this company will provide.

• (6:40 p.m.)

I have looked at the bill and I am aware of the fact that one clause indicates the type of insurance the company wishes to provide and it is not income insurance. To cover his life a person has life insurance and sickness insurance. Income is not one of the things which the company intends to insure. I may be alone in thinking that a company with the name "Income Life Insurance" provides coverage of income for life. I would think that the use of this name is just about as misrepresentative as in the case of companies which have appeared before us and asked to use the name "royal life insurance company". In those cases they wished to use a name which we believe should not be used in that manner because it conveys a certain prerogative of royalty that the company does not have. We always have disallowed this type of misrepresentation and misuse. I think we have another instance here of the same thing.

This raises the matter of amendment and whether or not it would be the desire of the sponsor to suggest an amendment rather than have us suggest it at another stage of the bill. I think consideration should be given in committee to this matter. I really am not one of those who believe that a rose by any other name will smell as sweet. I think, after learning the language, we have decided that roses are roses, and that to call a rose a petunia is not to convey the same meaning, nor does it convey the same smell. For that reason I do not think putting the word "Income" in the name is legitimate. "Income" means a particular thing. In my opinion "income" is not the name of a company; income is not a proper noun in that sense. In the dictionary meaning I would think "income" would be something that you receive on a regular basis for a specific purpose. I realize there can be an argument to the effect that life insurance will provide an income to the dependants and beneficiaries under the policy, but I think it is impossible through life insurance to insure for income. I do not think the sponsor or anyone else could place such a connotation on it.

As I have said, Mr. Speaker, income insurance is a new field into which I know some companies have gone. I know that sickness and accident companies sometimes write in an income disability clause; I am aware of that. Term insurance sometimes contains a clause to provide a lifetime income if certain disabilities occur or if a certain circumstance arises. I am aware of the fact that some companies—and in this case there may be some justification for the name—will allow their employees to have the benefit of income life insurance which reallly means that if the company severs its connection with an employee whose services they have obtained with considerable difficulty, they will provide him with a lifetime income. This is provided in the event that the business fails or if for some reason the contract is discontinued. In this instance there is a provision for the individual.

I think the best example of income life insurance is the case of the gentleman who was known throughout the world of radio for saying the words "call for Phillip Morris". I understand that his voice when used for that particular program was covered by an insurance policy which provided him with a lifetime income no matter whether or not he ever worked for that company again or did any other type of work. For his lifetime that slogan and his voice saying "call for Phillip Morris" were insured. This was probably one of the first income for life policies written by an American or any other corporation.

I say it is a very interesting and highly specialized field. Frankly I do not think this company is going into that field. If it is not I would strongly suggest that the house should be prepared to accept an amendment at another stage which would remove the word "Income" from the title of this company. My suggestion would be that the name of the person who wants this company be substituted. The name would then be "Brunning Life Insurance Company of Canada." I presume this could be translated just about as simply as the proposed name; I presume there is no great problem in the change.

I should think that the sponsor of the bill in this place should be prepared to accept that type of amendment and I believe he should consult with his principals about doing so. I would suggest also that the house should give consideration to this point because it involves something which the house should

jealously guard, namely, the type of insurance which may be covered.

Mr. Deputy Speaker: Order. The time allotted to the hon. member has expired.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I realize there has been some discussion in respect of this bill but there are some remarks I should like to make concerning it. As has been pointed out already, in some respects the bill before us is similar to its companion bill, No. S-12, which we still have to consider. There seem to be many points of similarity in these two bills. I notice that in both bills it is proposed that the capital stock of the company, $5 million, be divided into shares of $5 each and that the company in both bills is not to commence business until at least $1,736,800 of its capital stock has been subscribed. In this connection there is one interesting difference. In Bill S-11 it is suggested that before a general meeting for the election of directors can take place there must be $1,750 subscribed and fully paid, whereas in Bill S-12 the amount which has to be subscribed and fully paid before a general meeting for the election of directors can be held is $2,500. Just why Income Disability and Reinsurance Company of Canada has to have that much more money in the kitty before it can hold a directors' meeting I find puzzling in a minor way.

• (6:50 p.m.)

The hon. member for Timiskaming (Mr. Peters) raised some question about the proposed name of this company which is seeking incorporation through Bill S-11. I agree with his sentiments so far as the use of the word "Income" is concerned. Immediately a question arises in my mind about this name and I think we should have some clarification as to whom the income is for. I am inclined to think it is probably income for directors and shareholders rather than primarily for customers of the company. These points should be given serious consideration.

There have been what I would describe as a rash of bills coming before us for the incorporation of insurance companies. The one now before us asks for a federal charter to change the governing legislation from the provincial to the federal level. One immediately wonders why this is necessary. The provisions of the British North America Act divide jurisdiction in this regard between the federal and provincial governments. As far as I am able to determine there is no direct reference in section 91(2) as to jurisdiction in respect of the establishment of insurance companies.

I can only surmise that jurisdiction in respect of insurance companies is developed in the federal field under section 91(2) of the B.N.A. Act which provides authority for the regulation of trade and commerce. On the other hand, as we all know a great many companies have provincial charters. This may be the result of section 92(13) which places property and civil rights within the jurisdiction of provincial legislatures.

As I understand it, this company could go to each provincial legislature to seek incorporation and authority to operate within the province. Because of that fact I wonder whether or not this bill is in fact an attempt to circumvent the will of the legislature of a province. I know of cases in British Columbia where groups have applied for incorporation but have been turned down. They have then turned to the federal authority for incorporation in order to circumvent that refusal. It appears that one of the issues we must consider in relation to this application is whether or not this is in effect an application to circumvent that part of the jurisdiction for the incorporation of companies which falls within the provincial field.

During discussions on previous occasions in respect of bills of this kind the question has arisen whether or not the time of parliament shoud be occupied in examining the applications of individual companies of this kind or whether or not it would be more appropriate to deal with them through some change in the existing legislation. As long as we have this responsibility it is one which we should accept seriously. We should not lightly agree to the passage of bills which seek to switch jurisdiction from provincial legislatures to the federal government without asking questions of this kind.

I note that the type of insurance coverage this company seeks to provide is not quite as extensive as that referred to in a previous bill, No. S-4. The type of insurance referred to in that bill ran all the way through the alphabet from A to Z. Apparently this company is a little more modest in asking to be allowed to provide coverage for types of insurance from A to C. There are many other matters which one could discuss in the consideration of this bill, but in view of the questions raised by the hon. member for Timiskaming regarding the name let me conclude by suggesting that this company might

well be named the "Tweedledum" insurance company and that the company proposed by Bill S-12 might well be named the "Tweedledee" insurance company.

Mr. Deputy Speaker: Order. I should point out that if the hon. member for Hamilton West speaks now he will close the debate.

Mr. Macaluso: Mr. Speaker, I want to thank the hon. member for Skeena (Mr. Howard) for bringing to my attention the error I made in reference to the manner of incorporation. This company was formerly incorporated under authority of letters patent from the province of Ontario. With regard to the questions raised about the name of the company, I am afraid I do not have time to answer them all. I suggest to hon. members that they allow this bill to be sent to the committee so that these questions can be answered properly.

As to the use of the word "Income" in the suggested name, I am sure hon. members will realize that it is difficult to obtain an acceptable name because of the number of applications being made to the authorities for the use of various names. I can assure the hon. member that this name must have met with the approval of the authorities before this bill was allowed to be placed before this house.

Mr. Starr: It is seven o'clock.

Mr. Macaluso: Mr. Speaker, I ask for the consent of this house to send Bill S-11 to the committee on finance, trade and economic affairs, at which time I would be prepared to answer all hon. members' questions and at which time the officials of the company will be in attendance to answer questions.

Mr. Deputy Speaker: Order, please. Is it agreed that this bill be given second reading?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the standing committee on finance, trade and economic affairs.

GOVERNMENT ORGANIZATION

PROVISION FOR ESTABLISHMENT OF NEW DEPARTMENTS

The house resumed consideration of the motion of Mr. Pearson for the second reading of Bill No. C-178, respecting the organization of the government of Canada and matters related or incidental thereto.

Mr. Speaker: Order, please. Shortly before six o'clock hon. members on both sides of this house made contributions on the point of order raised by the hon. member for Peace River respecting the matter now before the house. I indicated to hon. members that I would study the arguments raised and that I proposed to read the arguments advanced by hon. members. These proceedings have not reached me in toto yet, and I seek the indulgence of hon. members to allow me sufficient time to consider all the arguments. A number of members have indicated that they wish to make contributions to this debate and I suggest they be allowed to do so now.

• (7:00 p.m.)

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, in opening my remarks in this debate on second reading of the government reorganization bill I have a sense of disappointment. I was one of those who, when the announcement was made in December last about the massive reorganization of government, had a wild surge of hope that at long last we would get at some of the difficulties that exist for any government trying to carry on the affairs of this country.

I listened very carefully to the speech of the Prime Minister (Mr. Pearson) today and must say again I am very sorry that each of these departments was not introduced with a separate resolution and a separate bill. We have clear-cut precedents for this approach. In 1953 Right Hon. Louis St. Laurent introduced the bill that set up the department called the Department of Northern Affairs and National Resources. In his speech he outlined precisely, carefully and logically why the department included in its title "national resources".

Successive ministers were able to read that speech, read the bill setting up the department and know precisely where parliament had directed the attention of the minister as to the way in which he should proceed. This precedent was not followed in the bill now before us or in the Prime Minister's speech. The second precedent was more recent, occurring in 1959 when the Department of Forestry was set up. Once again we had the Prime Minister outlining the need for the legislation and one of his ministers took the bill through its various stages in the house. The Minister of Forestry, through that debate and particularly statements of the government of the day, had a clear-cut indication of

what was expected from the Department of Forestry.

We now have six new departments before us, five introduced by way of resolution and one some place in limbo. We will have a chance to hear statements from the prospective ministers some time during the committee stage, but there will be no clear-cut statement in one place outlining the duties of these departments; there will be no debate in one place which will provide the new minister and his staff with readily accessible terms of reference for running the department. Therefore at the outset I would express disappointment that this traditional concept was not followed and that therefore we find ourselves in this doubtful situation.

The second reason for my being disappointed, and I might say alarmed, was the speech of the Prime Minister today. As I said, Mr. Speaker, some of us hoped when the announcement of the reorganization was made last December that we were going to see an end to the chaos and confusion that has characterized this government since 1963. We thought there would now be some hard thinking and direction which would enable ministers to make coherent plans of action in order to get at the problems that face this country today, which have been with us for many years and will probably be with us for many years to come.

We expected from our government at least some form of co-ordinated attack on these problems and this, I am afraid to say, is not the case when one considers the Prime Minister's speech. He dealt primarily with two sets of departments, those dealing with justice and the split-up of the Department of Justice into three component parts, and then with Indian affairs and northern development and its responsibilities as opposed to the delineation of responsibilities of energy, mines and resources. Then the Prime Minister mentioned that under the Privy Council we were to have the Minister of National Revenue (Mr. Benson) speak for Treasury Board and answer general questions concerning policy, if I understood his statement correctly.

Mr. Benson: Under the Privy Council?

Mr. Hamilton: I will repeat what I understood the Prime Minister to say, that matters relating to Treasury Board and general questions relating to the over-all conduct of government would be answered in the house by the Minister of National Revenue, and I assumed that general matters affecting the government would be those which come under the direction of the Privy Council. At the end of the Prime Minister's speech I asked who was going to speak for the secretariat of the Privy Council dealing with scientific matters. On May 5 in this house I asked the same sort of question of another member of the government. I pointed out to him that the history of science over the last 20 years in Canada affected several departments of government and that naturally the reporting of these matters to the house fell within the responsibility of the Privy Council because several departments were concerned. I pointed out that Prime Ministers were so busy that they did not have time to give the push to the scientific work of all these departments, and consequently it suffered.

As a matter of fact, under the National Research Council Act the council takes its direction from a committee of cabinet which refers items to it for action and decision. If the committee of cabinet does not meet for seven years, as was the case once in the last 20 years, you can see that the National Research Council has to carry out its work without the direction of the committee of cabinet. Then a new government comes in, gets all excited and intends to deal with this question of science and a new impetus is given to this subject. Then when the routine starts, because there is no one at whom the finger of the house can be pointed, the matter drifts off into apathy once again. The Prime Minister's answer today indicated that he would still be charged with reporting to the house on scientific matters, which means a continuation of the situation which has existed in regard to science for the last 20 years. We have been unable to get leadership and direction in this regard.

Therefore, Mr. Speaker, I was not only disappointed at the way the Prime Minister handled this matter on second reading, but I was frightened because it means that the confusion and chaos of the last three years will not be ended. There is still no leadership; there is still no way of co-ordinating not only the question of the scientific council, and Treasury Board, which matter is now being looked after by the Minister of National Revenue, but there are important matters concerning consumers all across Canada. Members of all parties in the house have expressed concern in this regard. No one can be held responsible in this house, so there is

no co-ordination and no direction. I think the hon. member for York South (Mr. Lewis) dealt with this matter earlier in the debate.

It is not just a matter of opposition from the Conservative party. It is the fact that many of us who have sat on the treasury benches, and probably will again, wonder whether any progress is possible unless the key question is met in trying to give some chain of communication down through the departments, and back through the departments to this house. This chain is not strong in one place, and that is the Privy Council. Too many things are gathered in the Privy Council under the theory that everything depends on the Prime Minister, who reports to the house and accepts questions in the house. But because he is a busy man, no one asks the questions and as a result these things suffer. There is no clear-cut channel of communication with regard to science. On May 5 the Minister of Industry said the Privy Council would be appointing a minister to report for science, and it would not necessarily be the Prime Minister. We heard nothing of that today, so you can understand why those of us who have been interested in trying to streamline the operations of government as outlined in this reorganization, say improvement is needed. In our opinion it is a mere shuffling of assorted Grits into assorted portfolios. It looks as though the government simply made up these portfolios in order to find places for people.

• (7:10 p.m.)

Now for the next question. In my remarks at the resolution stage, I pointed out I thought there would be some improvement if groups of ministers could be collected around clear headings. Those dealing with human resources do have occasion to meet often to try to resolve things which are facing their departments. Those dealing with material resources should have an opportunity to meet also. I listed three or four headings around which groups of ministers could be collected, and there should be a place in the Privy Council to bring together these three or four groups of ministers who would be working toward co-ordinated approaches of policy and action. This is the sort of thing we wanted to hear during the discussion of the principle of this bill at second reading stage, but we heard nothing about it.

A classic example of the confusion and chaos which is going to result was given by the Prime Minister (Mr. Pearson) when he dealt with the department of Indian affairs and northern development. He defined the boundaries between that department and the so-called new department of energy, mines and resources. The Prime Minister made it clear that the Minister of Northern Affairs and National Resources is now to be relegated to a person who is only an acting provisional provincial minister. In the Prime Minister's words, all his duties are in trust for the future provinces. He is therefore relegated from a position of federal minister to one who temporarily carries out the duties of the provincial minister until the northern provinces of the future have assumed responsibility.

When you look at his junior position, and then go on to the next step, which is related to the handling of the division of powers related to the continental shelf, you see how confused the minds of those who drafted this legislation must have been. I cannot quote the Prime Minister's words directly, but I think I can accurately paraphrase them. As I understood him this afternoon he said the continental shelf would be divided roughly north and south on the basis that the minister of Indian affairs and northern development would have responsibility for that part of the continental shelf which was north of a southern boundary formed by the southern boundary of Southampton island and Baffin island. The minister of energy, mines and resources, would have responsibility south of that line. He got mixed up in the phrases, wet lands and dry lands.

My point, Mr. Speaker, is this: One of the most vital issues before this federal state is the question of the continental shelf. First of all, I question the knowledge of the ministers on the treasury benches as to the meaning of the continental shelf. I do not believe there is a single minister in the government who could stand up in this house and define the continental shelf, or this type of statement would not have been put in the Prime Minister's hands today. Normally the continental shelf is a part of the federal responsibility. If anyone looks at the boundary act of Manitoba, the boundary act of Ontario, the boundary act of Quebec, one finds there is no question about who owns the lands underneath Hudson bay, James bay and Hudson strait. It is written in the statute, and even an elementary school child could understand it.

This matter has been put before the courts, and they have been asked to make a decision. When you put a matter before the courts, one assumes that there is one side contending for

one argument and another side contending for a different argument. Then you have a hearing before the supreme court. However, there is no one contending for the federal position. It is a joint submission to the courts. This is where the danger lies. This is one of the reasons for saying that the Prime Minister's statement today was frightening. There was a lack of understanding of the whole basis of the federal system.

We give to the provinces complete power over the energy, minerals and resources of each province. The exceptions of course are that agriculture, in part, is a federal responsibility as are fisheries, in part. In order to keep the argument simple, you can say that resources, energy and minerals are within the powers of the provinces. Now we have a situation where the minister of northern development is the provincial minister for the Northwest Territories and part of the continental shelf. He has been relegated to the power of a provincial minister. In addition you have ten provincial governments. Now, you have the federal government on one side of this issue and eleven governments on the other side; but whom has the federal government put in charge of energy, minerals and resources? Have they put a strong, experienced minister in charge who speaks out in private and in public for the right of the federal government to continue to exist? We get a new minister, and so far a weak minister, who is trying to stand up for the federal power. Read the speeches he makes across the country. Are those speeches dealing with the great issues such as how the mighty, industrial power to the south wants access to our energy in increasing amounts, about 1,000 per cent in ten years. They want access to our minerals because by 1980 they will have a 20 per cent deficiency in strategic metals. They want access to all our resources; and what do we hear in the speeches by the minister? We can read the statements from his office, and we see that he is dealing with such subjects as bilingualism and biculturalism. These are all nice subjects, but when it comes to the guts of the problem, where does Canada go? What is the position of the federal government? We hear no statement from the minister.

When we talk about a national power grid, he is going to look into it. When we talk about the fact that Ontario is moving unilaterally to tie up its power grid with Manitoba, he does not know anything about it. You cannot blame us for being frightened, those of us who visualize the maintenance of our national sovereignty, not only from the crushing cultural pressure from the south but from the encroaching financial hold on our resources, energy and secondary industries. I do not believe in acting by negative restrictions. I believe in doing things ourselves, in a system of positive expansionism to match this giant to the south step by step, and then get ahead because we have the resources to do it. One of the keys to give the country bargaining power and to protect the provinces from the encroachment of the United States, since they have no power to deal with the United States, to give us strength and unity when people want to take our resources, energy and minerals in a package deal, would be a strong federal minister. What do we get from the minister? We get a speech about the future of the French-English relationship.

Those things are important, Mr. Speaker. However, I hate to see somebody up on the roof spouting about the relationship of the man and wife in the house below when all the time the furniture is being moved out. It is time the people of Canada, French, English, Dutch, German or any other racial origin, realized that we have all the bargaining power on our side. The high cards are ours. We should use the possibilities that lie in the federal power to give leadership to the provinces to make them realize that, alone, they are like a ship without a rudder, but together they are powerful.

• (7:20 p.m.)

This is why I express my deep concern. The continental shelf is the key to the struggle over the encroaching powers of the provinces upon the federal government, and we have had no indications from the minister that he will be defending the position of the federal government against larcenous hands which reach out to take what belongs to all people of Canada, not just to the people of a single province. This position must be made known.

Yet, Mr. Speaker, the continental shelf north of Hudson bay will come under the jurisdiction of one minister, and that part of it south of that line in Hudson bay will come under the jurisdiction of another minister. In this regard we know where the new minister of northern development stands, because he has stated his position. However, when we look at the islands of the Nastapoka, or the Belcher islands, or Akimiski island, and we realize what these boys are playing with, then this is a very serious

matter for the future generations of this country.

I say that the minister in charge of the continental shelf who will deal with the Russians, or the British, or the Japanese, or the Americans, or the French in France —because this is what his responsibilities will entail—must be a federal minister, not a junior minister in charge of one of the regions in the Northwest Territories. The continental shelf is not three miles off our coast, or six miles, or 60 miles, or is not 300 feet or 600 feet deep. The continental shelf goes half way across the Atlantic, half way across the Arctic and half way across the Pacific.

The land underneath those three oceans belongs to the countries which front those oceans. Therefore Canada has potential resources in a great part of the world lying at the bottom of the sea which are just as valuable as any on dry land. That has been agreed upon, through action taken by the government of which I was a member, by the unanimous decision of 105 nations meeting at Geneva in 1958. Those of us who fought for so long as a government to get recognition of claims upon these resources at the bottom of the sea now see the possiblity of them being frittered away, with one minister looking after those resources above a line which has been drawn, those below that line being subjected to another type of policy.

I want to know from the minister who has charge of the area south of Southampton and Baffin islands how tough he is going to be with Premier Roblin of Manitoba, the premier of Ontario and the premier of Quebec. These men will naturally fight for their provinces to acquire everything they want from the federal government; I suppose they would be kicked out of office if they did not do so. But the minister in charge of this land on behalf of the federal government must fight for all people in Canada. The Hudson bay property belongs as much to the people of Newfoundland as to the people of Quebec, Manitoba and Ontario. That is one of the issues I am concerned about, Mr. Speaker. I see an abdication of federal leadership.

I should like to conclude by referring to a matter to which I will have to return on committee stage. In the old act which set up the Department of Northern Affairs and National Resources, the prime minister of the day, Mr. Louis St. Laurent, in introducing the bill to the house, used the expression that apparently we have been administering the north with a complete absence of minds. He outlined an act which would not only bring the north under the direct public responsibility of one minister, but went on to emphasize that this new minister was to be not only in charge of the north but was going to be in charge of the national resources of Canada. Then he deliberately explained why he chose the expression "national resources" instead of "natural resources". To him natural resources meant only the trees, the energy, the minerals, the natural things. He said that to him Canada was composed of people, human resources, and that he wanted some minister in his government—quoting, in effect, the terms of the act—who would be responsible for formulating plans in co-operation with other governments, other dapartments, private and public agencies, not only for the development and maximum use of our natural resources but also our human resources.

Where has this fundamental and primary purpose of the old resources department gone, Mr. Speaker? Which one of these departments is in charge of it now? It has been said that it was not necessary to bring in a resolution in respect to the department of forestry and development because no money was involved. Here we have taken one of the best means for initiative and leadership by the federal government and thrown it up into the air, having it disappear into the upper atmosphere. Where it has gone no one knows. The power to plan on the part of the federal government for the best use of our natural resources and human resources is now dispersed, and no one knows where it has gone.

I agree with what many people have written, that this is the day of a weak federal government and ten strong provincial governments. Perhaps with a minister of a new provincial government in the north there will be 11 strong provincial governments, all of which are overwhelming this federal government. Therefore I think it behooves us in all parties to remember that our basic job when we come to Ottawa is not to speak for our parishes, our municipalities, or even on occasion for our provinces. Our fundamental job here is to speak for all the people of Canada.

I believe the people of Canada are being sold down the river. Not deliberately; I could not accuse anyone of doing that bad a thing. But I fear that all this confusion and chaos of the last three years has become a way of life with this government. People rush in with ideas which look good, and the government announce them. But no one thinks them through. If someone had really thought

through that resolution, Mr. Speaker, there would have been six departments included therein. Somobody boobed, and tremendous efforts have been made to explain away that boob.

With regard to the continental shelf, can you expect a minister who really only has provincial status in the federal government to deal with Russia on such a matter? We must have a strong minister who believes in a strong federal government. We must have a minister who believes in protecting the rights of the provinces within their own jurisdictions. Yet we have not seen any sign in this struggle between these two ministers, one federal and the other provincial, that the strong minister is being put into the federal portfolio; he found himself slid into a provincial status, and I am a little worried about this.

• (7:30 p.m.)

Many people in Canada believe, Mr. Speaker, that it is either the Liberal party or the Conservative party which is the governing party of this country. Many people in the United States believe that it is the Democrats or the Republicans which lays down the legislative basis for the government of that great republic. I think many people feel the same sort of way in France and in the United Kingdom with regard to their political parties. These four great powers of the North Atlantic must all be realizing that really the bid issue in this type of democracy, with governments so involved in the business of running the country, is just how much say the elected representatives do have. We must wonder, in this move toward having the experienced expert running the show, whether there is still not a place for the reasonable common sense of the layman who is elected to parliament. Surely when he becomes parliamentary secretary to a minister or a minister, there must be some little segment of power that he could exert.

After reading what has been happening here this last little while, I realize that we have not won the battle on behalf of the elected representatives, in this particular bill.

In the last speech he made in Canada, I think to the senior civil servants of Ottawa, Viscount Amery pleaded with the senior civil servants to leave some small segment of power to the elected representatives. He said he had carried out five portfolios in the Sir Winston Churchill administration in the United Kingdom. The same thing was happening over there, he said. Civil servants were so able, so sincere and so likable that it was difficult for a minister to go his own way. He said, "I ask that you senior civil servants give your poor minister some head, so that he can use his ordinary common sense".

In this legislation, I think, very few ministers will have the chance of using their common sense. What we are faced with here, I think, is a shuffling of portfolios to meet the needs of personnel available. We have no genuine reorganization, because there is no clearcut philosophy or principle of action apparent in the Prime Minister's statement on this bill.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, looking over Bill C-178, I note that it concerns the organization of the government. That is the avowed purpose. But there is surely an implied or a secondary purpose which should be to insure a greater efficiency of government.

I believe this to be a step in the right direction. After listening to what was said this afternoon, I should not agree with all the criticism uttered. I wonder if some of the criticism was in order. Some ministers were personally taken to account. The question is simply whether the principle of reform is valid. It is good. It is not bad.

I believe that public opinion, parliament and some ministers of experience would have expected a basic, more drastic and revolutionary reform. That was expected by public opinion. It should be remembered that for some months, for some years now, Canadians on the whole have had a strange opinion of parliament and of government. I would not want to discredit parliament, nor cast the blame on Liberals or Conservatives, or on anyone else. Let us say that is the situation.

Canadians tell themselves: The Ottawa government is a heavy, cumbersome machine to operate; it is not very efficient, there is a lot of red tape. Sometimes, people are harsher and comments are more unfavourable.

In order to restore the prestige of the government, it would have been imperative to take the opportunity to carry out a basic, fundamental reform. Something drastic. As for efficiency, a study should have been made on the operation of large companies with thousands of employees and a budget as large as the Canadian budget, where responsibilities are delegated.

I would like to express, very briefly, my own idea as a newcomer, and that of the

Canadians with whom I had the opportunity to discuss the reorganization of the government, to keep pace with the needs of the atomic age in which we live in 1966. First and foremost, means shoud have been provided to relieve the Prime Minister. Regardless of his party, his health or his talents, it is impossible for any prime minister to cope with his task.

A trained personnel should then have been provided to relieve him of some responsibilities, to give him time to think, observe, meet people, get to know better the senior officials of the government and consult experts. Provision should have been taken to relieve him from attending all the sittings of the House of Commons, as it is done in other countries. This becomes a tedious task for a prime minister and takes up valuable time which he could devote to the general administration of the country.

The suggestion made by some members of the house concerning the creation of senior and junior ministers, should have been carried out at least in part. I do not maintain that my formula is perfect; I submit it merely as a suggestion. It is a perfectible formula. For the sake of discussion, I will explain it as briefly as possible.

There should be, standing by the Prime Minister, a group of senior ministers, let us say five, six or seven of them—it matters little how many—but senior ministers with perhaps more experience than the others, one of whom, at least, would be Acting Prime Minister on a permanent basis. The Prime Minister would then be replaced not only when he is away for a week or two on a trip by a minister who may not have the required experience to do so. There could then be a permanent, a statutory Acting Prime Minister, and the four or five other ministers could in turn fill this position.

These senior ministers would become so to speak, the board of directors of the government which, naturally, the twenty or so other ministers would join. They would plan the over-all policy in various fields. But these five or more senior ministers would constitute the board of directors, they would meet regularly with the Prime Minister and share his responsibilities.

Each of them could supervise and direct four or five different departments, or even six for that matter, which could be grouped, taking into account the similarity of responsibilities in each department. This would be easy enough to determine, Mr. Speaker. Let us say, for instance, one group of departments dealt specifically with economic matters, another with, let us say, matters of control and administration, others with legal affairs, others with protection and defence, others with matters that might be called external affairs questions.

Finally, all these ministers or departments could be gathered around five or six various themes, and a senior minister could be given the responsibility. That is to say that five or six junior ministers would be responsible to a senior minister. And all those senior ministers would, of course, see to it that the Prime Minister is freed from all these responsibilities.

For instance, Mr. Speaker, let us say the departments that have to do with the Canadian economy would be grouped. Under economy one would find the Department of Agriculture, the Department of Trade and Commerce, the Department of Forestry, the Department of Industry, the Department of Manpower and the Department of Fisheries. All those departments seek to condition, to stimulate and to plan the economy of the country. Now, these departments are homogeneous. They have the same responsibilities.

It would be profitable if all these ministers met at a given time to deal more specifically with the economy of Canada. Then, there could be a senior minister in charge of this sector of the Canadian economy responsible to the Prime Minister and the Canadian people.

There could also be, let us say, legal affairs. Under this heading, might be grouped the Departments of Justice, the Registrar General, perhaps the Solicitor General and the Secretary of State. They might possibly be grouped around these things, even though sometimes common characteristics are not so close. As long as there is a similarity, they could perhaps be grouped. This distribution would not necessarily be followed, Mr. Speaker. It could be adjusted, but it is the principle which I wish to point out.

There could also be some matters concerning defence which would make up another group of departments. For example, National Defence, Defence Production, External Affairs which up to a point are related with matters of defence. It is at least a preventive defence in many cases; the Department of Veterans Affairs perhaps. And nobody would object if in those large departments, there were some associate ministers as at present.

Another groups of departments could deal with domestic issues, strictly administrative matters, let say, for example, the Post Office, National Health and Welfare, Transport, Labour and Public Works. Perhaps another special department could be added. The department of federal-provincial relations has been mentioned this afternoon. Those relations bring up urgent problems, problems that must be solved every day and it would be advisable to entrust those matters to a special department or minister.

You understand my point, namely that all those departments should be grouped according to homogeneity and entrusted to an assistant of the prime minister who could be called a senior minister.

This would enable the Prime Minister, and even each minister, to enjoy life like everyone else, to take a breather, to go to bed at night and, from time to time, to go and see their family on Saturday or Sunday. This would already be worthwhile. Otherwise, we will tire out our ministers too fast and it could be presumed that if they are allowed to lead a normal life, perhaps they will also have more time to reflect on general policies, on general planning within their department. Perhaps they will have more time to spend in their departments and meet their assistants, even those of the lower echelons, thus improving administration.

• (7:40 p.m.)

The Prime Minister, the senior ministers and all the other ministers may then have more time to receive visitors. We are living in an era of democracy and, Mr. Chairman, I should like to illustrate this particular point.

During the weekend, an event to which I attach a special significance happened in my riding. A convention of the Knights of Columbus of the province of Quebec was held there. They invited the premier to meet them. It is obvious that the premier could not, in the present circumstances, comply with that request.

I understand that the premier delegated one of his ministers to meet them. It so happened that the minister in question was unable to attend the meeting. He expressed his regrets and the Knights of Columbus of the province of Quebec, an organization of prime importance which probably includes the elite from all parts of the province, were sent as a government representative a charming member of parliament who discharged his duty beautifully, lest not my remarks seem to reflect on him. His performance was first rate, and I wish to congratulate him on his dignity and eloquence.

But the Knights of Columbus expected to meet a minister. Already disappointed at not having met the premier, they did not see any of his ministers either. They returned home feeling frustrated. They feel that, in a way, a minister belongs to them; not only do they enjoy meeting one, but it also gives them the opportunity of hearing him explain the government policies.

In the present situation, Mr. Speaker, it is known that ministers cannot always accept such invitations. They are overworked. I gave this example, Mr. Speaker—while realizing you were about to call me to order—so as to prove my point. For greater efficiency in government, a framework should be devised to lighten the load on the Prime Minister. Assistants could be given to him to share his responsibilities. Each minister should also be freed to concentrate more fully on his own area.

Mr. Speaker, a few days ago I read the results of the inquiry ordered by the government at one time into the reorganization of the government for greater efficiency. I was surprised that more insistence was not given to the reorganization of the cabinet.

I repeat what I said a moment ago: I believe that, in the present circumstances, public opinion is convinced that our system of government is obsolete and that we are still running the country according to methods used when people went about on foot, on horseback or in ox-carts, whereas nowadays travelling is by airplane at speeds over 1,000 miles per hour, and telegraph and all sorts of communications are available. Now, I claim that administration methods should be much faster than 100 years ago at the time of confederation or a few centuries ago when parliament as we know it was born in England.

It is absolutely necessary that such basic and fundamental reform, from the cabinet down through the whole administration, and the operations of parliament, be carried out drastically right now.

I think it is important, Mr. Speaker, and that it may not have been sufficiently emphasized. Public opinion is disappointed that this reform in depth, this radical reform has not yet been carried out.

I believe this is urgent—and I make the recommendation to both parties, the party in

power and the official opposition party, because the prestige of parliament as a whole is at stake—for Canadians now have such a poor opinion of parliament that it is a reflection on the government.

Those who see the men responsible for government at work here know that this is undeserved, but it is probably the system which is wrong. Now, it is urgent to carry out reorganization in this direction from the psychological point of view, so that the prestige of parliament may be restored and so that public opinion may regain some esteem for its government.

By relieving the pressure on each of the men responsible, you will give them time to lead a normal life, to meet Canadians in all circumstances, to think and meditate a bit more and to consult people who are experts in their fields in order to establish a general planning of the whole administration of Canada, which they have difficulty in doing at this time, unless they work 24 hours a day, seven days a week with no holidays. As things now stand, they must necessarily expedite too many things, which is not a good thing.

Mr. Speaker, I would like to have understood the spirit in which I make these remarks. My intention is not to blame anybody, but to point out to the house as a whole —besides I know that my colleagues have noticed it themselves—that is urgent for some kind of co-operation in a gesture of good will, and all members of the house could support the government, if it should decide, one of these days, to carry out this radical reform on the basis of business principles which must prevail in the year 1966 in which we live, and put aside for a while this sort of conservatism—not in the political sense of the word—which requires us to keep this old system, this old method and these old frameworks which came into existence elsewhere centuries ago and which save for a few months, were put into practice here a century ago.

• (7:50 p.m.)

[*English*]

Mr. R. W. Prittie (Burnaby-Richmond): I had intended to direct my attention during this debate to the department of manpower but something has happened which has caused me to change the tenor of my remarks. The idea of a department of manpower makes sense to me. The idea that you have within the same department the administration of all which is concerned with recruitment of manpower outside the country, as well as those who are concerned with technical and vocational assistance which has to do with manpower within Canada, and with meeting the manpower demands of the country, also makes sense to me. I had intended to suggest that a system of education should be established within the department of manpower. However, as a result of a newspaper report of Saturday, May 21, I find I have to change my approach. This afternoon in the house some members asked some questions of the Secretary of State (Miss LaMarsh) as to whether an office of education had been formed within her department. This article which appeared in the Ottawa *Citizen* on Saturday written by Joan Cohen I should like to quote in order to make more clearly my point. This article has not appeared in other newspapers and I am sure many members of this house are not aware of this latest development, if the article is correct. It states:

> Without fanfare, the federal government has located a home for education within its administration.
>
> Gearing itself for sharp escalations in its support of post-secondary education, it has acted on a central recommendation of the universities-sponsored Bladen Commission on Financing Higher Education and charged the secretary of state with responsibility for co-ordinating its spending programs.
>
> It is now looking for a person who, as adviser to State Undersecretary G.G.E. Steele, can tenderly take the reins in a variety of tasks ranging from policy formulation to program administration.
>
> So far, the government has taken only interim action on this massive assistance program called for by the Bladen report, and its temporizing formula for boosting aid has had its critics.
>
> A clearer picture of where the governments are headed should emerge in Victoria next month when a federal-provincial conference gets down to hard-nosed discussion of the commission's findings, such as the estimated doubling—to $1,314,000,000 annually—of university costs by the start of the 1970s.
>
> Mr. Steele, in an interview this week, was clearly sensitive about the entrance of the word "education" into a department of the federal government. Until now, university grant programs have been administered on a part-time basis by officers in the finance department.
>
> "At the federal level of government, this move will cause regular co-ordinated discussions to take place, as well as close liaison with people in provincial jurisdictions."
>
> He stressed that responsibility for federal programs will remain in the hands of the authorities now administering them.
>
> The planning will bring in the National Research Council, the Medical Research Council and the Canada Council. It will involve the manpower programs and administrators in the department of health and welfare of the $500,000,000 health resources fund.

It will enable the government to do its planning in the round—so facilities and people will be available when programs requiring them are launched.

It will be concerned with the whole field of post-secondary training, including the emerging community colleges, the technological colleges.

Mr. Steele indicated there will be a place for bold, if careful, initiatives in dealing with the provinces.

"The problems facing all levels of government are so enormous that they can only be solved by working things out on a national basis and by providing opportunities on a national scale."

Mr. Steele acknowledges that education was assigned to the department as a deliberate decision to round out the functions of the ministry, which is shaping up as the department of cultural affairs. Other recently-established planning bodies, the science secretariat and the poverty-planning secretariat, have been set up within the prime minister's office.

But, the undersecretary urges, don't call it the department of education and cultural affairs. Call it social affairs or better, interior affairs.

The administrator now being sought—with a salary of up to $20,000—should be, Mr. Steele said, "someone who knows the problems of education in Canada, somebody with a sensitivity for federal-provincial relations, and who can organize research," quite possibly a university administrator.

This is quite a large order if they want such a person.

"I hope this position will attract a lot of attention."

I am quite sure it will.

In the new planning section now are two full-time workers, Jean-Marc Hamel, a member of the department previously, and Christopher Gill, formerly on the staff of the Association of Universities and Colleges of Canada, the sponsor of the Bladen report.

The department has been heavily involved in an advisory capacity in planning for the June conference. Mr. Steele says he has no soundings yet on the provinces' preparations, but he hopes they will attend in a mood to deal imaginatively with the job at hand.

"We recognize that there is no area more regarded as a provincial prerogative. We'll keep that before us—while making very sure that in doing so we don't fall behind as a nation."

Mr. Bell (Carleton): One of the best speeches made today.

Mr. Prittie: As I said earlier there were some questions asked this afternoon of the Secretary of State on this subject. The questions were all ruled out of order by the chair. I asked the Minister of Finance (Mr. Sharp) whether it was a fact that the subject of university grants had been transferred from his department to the Secretary of State and, after some consultation with the Secretary of State, he replied in the affirmative. I take it from that that the article substantially is correct. I agree with the idea, but in my view it might have been better had such an office been established within the department of manpower. At the present time this is the department which is spending the greatest amount of money on education. In the estimates for 1966-67 there is an amount of $186 million under the Technical and Vocational Training Assistance Act. It seemed to me that this would be the logical place for it. However, I am pleased there has been a recognition by the federal government of the need to establish such an office and that they have taken the first step.

In the re-organization bill which the government has presented to us I had hoped they would have established an office to administer all its activities in the field of education. Instead of that, according to the article in the *Citizen*, the new office will be only a co-ordinating one. The various departments which now are involved in education will continue to operate entirely on their own. Just to what extent is the federal government involved in education? I should like to give you a brief review of the present involvement; it really is quite considerable. The provision of schools for Indian and Eskimo children amounts to about $38 million. In the next fiscal year the Department of National Defence is spending for service colleges about $7,800,000, and for the operation of elementary and secondary schools for children of members of the armed forces there is a budget item of about $9,900,000. As I mentioned earlier, under the Technical and Vocational Training Assistance Act $186 million has been budgeted. In the next year the grants to universities will amount to about $100 million. In addition to that I note in the estimates an amount of $9 million for the Canadian student loan fund. A running total of these figures comes to about $351 million.

In addition to that there are other functions of the federal government in the field of education which I have not mentioned and for which I cannot give figures. There is the external aid office of the Department of External Affairs which is involved in recruiting student teachers to send to underdeveloped countries; there are the various grants from the Department of National Health and Welfare to research organizations, and there are a great many grants from the Department of Agriculture, not to mention the work of the National Research Council and the Dominion Bureau of Statistics. The latter, by the way, it seems to me does most

of the statistical work in respect of education in Canada at the present time. However, the more or less direct spending of the federal government amounts to better than $350 million.

It is only an academic question whether the federal government should be involved in education. When you are spending $350 million you are involved. As I said earlier, it would have seemed more sensible to me to bring these functions together under one office, but they have chosen not to do that.

• (8:00 p.m.)

At this point I want to mention briefly the constitutional question of federal involvement in the field of education, and that involvement is in fact taking place and is an aspect of this constitutional question. We are often reminded that section 93 of the B.N.A. Act gives the provinces exclusive control over education. Everybody else in the country has had a turn at interpreting the act and what the Fathers of Confederation probably meant when they drafted it. I should like to take my turn in doing so now.

It seems to me that the fathers of confederation when they referred to education were speaking of childhood education of the kind that existed in 1864 and 1865 which was provided by the village elementary school, and there were not too many of them at that time. I see no reference at all that would make me think they were thinking of universities and other forms of advanced education.

The word "exclusive" does not mean very much because the federal government does quite properly have educational functions. Under the constitution it was given responsibility for Indians and Eskimos, and it operates schools at the present time for Indian and Eskimo children. I have mentioned the Department of National Defence and its educational function.

Technical and vocational assistance which is now taking place is a form of assistance to schools which operate under provincial jurisdiction, admittedly, but this is taking place with the approval of the provinces. If they did not approve I am sure the federal government would withdraw; but there is no great resistance to this assistance which they are receiving.

The question regarding universities is not at all clear, but if you accept my interpretation—

The Acting Speaker (Mr. Rinfret): Order, please, I regret to interrupt the hon. member, but I should like to ask him whether his remarks can be related to the bill now before us, which in turn relates to the responsibilities of four new ministries.

Mr. Prittie: Yes, Mr. Speaker. We are dealing with a re-organization bill and it is our duty in the opposition to praise or criticize government action. If we criticize we should advocate alternative policies. It is quite in order to suggest what we think should have been included in the bill. Originally I suggested that an office of education should have been provided for under the department of manpower. Apparently one is to be established under the offices of the Secretary of State. I am merely pointing out that I think the government should have gone further in its re-organization of some of the duties which should have been allocated to such an office. Therefore my remarks do relate to government re-organization and the manner in which I think it should take place.

As I was saying, if you accept my interpretation of the definition of education which the Fathers of Confederation had in mind, then you will come to the conclusion that university education is not exclusively under provincial jurisdiction. In any case, with the apparent approval of the provinces the federal government is involved in this field as well. The federal government does carry on various functions in the field of education at the present time. I think an office of education should co-ordinate and plan the present involvement of the federal government, and that it should go one step further. At the present time in Canada there is a great lack of research in the field of education, although some is carried out in universities. Some provinces have separate research organizations and there is in existence the Canadian Council for Research Education, but most of our ideas in this field come from the United States. We are not doing our share, and I believe the office which is being established should give its attention to this particular field. Unless we have an office with the prestige and the funds which only the federal government can give, we are going to lag very far behind the United States and other countries. I should like to mention briefly that in the United States they have such an office of education.

The Acting Speaker (Mr. Rinfret): Order, please. I regret to interrupt the hon. member again, but I really believe he is going beyond the terms of this bill and that he is applying

the principle of education and the federal government's responsibility in the field of education in a way that is not relevant. I suggest that he confine his remarks to the re-organization of the four new federal ministries.

Mr. Knowles: Mr. Speaker, on this point of order may I draw attention to a clause of the bill which is so wide that the remarks of my colleague fall squarely within its four corners. I refer to clause 34 which begins on page 11 of the bill and which proposes amendments to the functions of the Department of the Secretary of State. In other words, my hon. friend is perfectly within the terms of the bill in talking about the Department of the Secretary of State. I should like to go further and draw your attention to one of the functions of the Department of the Secretary of State as contained in clause 34(4)(1)(d) at the bottom of page 11, which reads as follows:

(d) the encouragement of the literary, visual and performing arts, learning and culutral activities; and—

Surely if this bill is ascribing to the Department of the Secretary of State responsibilities in the field of learning, my hon. friend is a lot more in order than some other hon. members who have spoken today. I believe Your Honour should take note of that part of the bill before you rule out of order this discussion on learning, which I suggest is synonymous with education.

Mr. Prittie: In any case, Mr. Speaker, I will not take up very much more time as I wish to attend a meeting of the broadcasting committee tonight, which is another form of education in which we are involved at the present time.

The point I was trying to make here is that this office, which is apparently being established within the Department of the Secretary of State to deal with education, should administer the present federal responsibilities in this field and take the initiative in encouraging educational research in Canada.

I do not look upon such action as a threat to provincial autonomy. A great deal of research needs to be done and I envisage such an office as a centre where the results of education research in Canada could be gathered and distributed to provinces. Much can be learned about the technology of learning, teaching methods and many other things which would be useful to the provinces. I suggest this will not be learned in Canada unless a federal agency, which will have

[The Acting Speaker (Mr. Rinfret).]

prestige and funds, is given stimulation to do this type of research. This could be of great assistance to the provinces. I see no interference at all on the part of a federal office of education in the operation of elementary and secondary schools. The province of Quebec is not the only province which would object to such interference. I believe the federal government will have quite enough to do in giving aid to universities and technical and vocational schools without getting into other fields of education.

Finally I want to say something about the United States. In that country they have a U.S. office of education which operates as a federal agency. I believe the constitutional position in respect of education in the United States is the same as in Canada, education being a matter under state jurisdiction. However as long ago as 100 years, in 1867 to be exact, this office of education was formed. It runs schools, such as Indian schools, for the federal government. It is a centre for research and for stimulating educational research. It also carries out the international functions of education for the federal government, the sort of thing that the external aid office of this country does.

• (8:10 p.m.)

I am very pleased that this first step has been taken. I regret only that while this re-organization was taking place the government did not go further and give this office more functions. Earlier the hon. member for Qu'Appelle (Mr. Hamilton) mentioned the fact that ministers of the government did not have very much responsibility because the civil servants were not allowing them to do very much. I would think that in the field in which I have been speaking the reluctance is on the part of the politicians and not the civil servants. I realize that in Canada this question of federal involvement in education has been a touchy, political one. Nevertheless we are involved at least to the extent of $350 million, and we will be involved more in the future. Therefore we should make more successful arrangements to carry out that involvement.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, we have heard some pretty able speeches tonight. I was quite impressed with the speech of the hon. member for Qu'Appelle (Mr. Hamilton).

An hon. Member: We hope there is a good one coming up.

Mr. Woolliams: Someone said, "We hope there is a good one coming up." I will try not to disappoint my colleague. We have heard some excellent speeches in this debate. I suppose that on second reading we should be debating the spirit of the bill and I will try to stay within the terms of reference in that regard. I think that in a general way any Prime Minister of this country has great difficulty in forming a cabinet, for two reasons. One is our parliamentary system and the other is that we have always adhered to—or appear to have done, although no one wants to admit it—the three R's. One of these is to choose the right man—that is not always the greatest concern—the man from the right region, and often there is the question of religion. This practice has sort of shaped and framed many of the cabinets of this nation. You have only to read some of our history as outlined by Dawson in his "Government of Canada" to find this to be correct.

If we have a prime minister from one section of the country, we will probably have a minister of justice from another section. So what the Prime Minister and this government have tried to do—I do not say this in a critical way, but more in a philosophical way—is fit the job to the men available. That is what the Prime Minister has done. This bill was introduced as a reorganization measure. This sounds very good and I am sure the people who will read about it in the press will think, "Now they are reorganizing government and this really means reorganization of parliament". But that may be very far from the truth.

First of all I want to deal with the Department of Justice. However, before dealing with one particular item let us consider what the bill is really about. The Department of Justice is now being divided into three departments. It will be carved up something like the Christmas turkey; we will have the Minister of Justice, the Solicitor General and the registrar general of Canada. This is the first department to be reorganized. Then you have the department of manpower, which as I see it will take over immigration and combine labour with it. There is some merit in this. Then you have the department of Indian affairs and northern development. This department is being shaped from the Department of Northern Affairs and National Resources. I am somewhat sceptical about this change and will have something to say about it in a few minutes. Then we find that the Minister of Public Works has been given control of and jurisdiction over crown lands. Anyone who has made any study of the Glassco report hopes that if the Minister of Public Works is to have jurisdiction over crown lands he will accept the recommendation of the Glassco report and unload a lot of that land which is not really used by the crown, but has been held at the crown's expense. You will find this in the Glassco report.

Added to the Department of Forestry we have the rural redevelopment program started by a Conservative government. I refer to ARDA. Then last but not least you have the department of energy, mines and resources. I think having a department of energy, mines and resources is probably an excellent idea because resources, when harnessed, are energy for our nation. There may be some merit in this regard. The Prime Minister said these changes are necessary to assist the executive in getting on with the job. If this is true, I am sure that members in every part of the house welcome the changes, because every member of parliament when he has gone back to his riding or has made a speech in somebody else's riding must have learned that the people of Canada think, rightly or wrongly, that nothing has been done by parliament.

Speaking as a member on this side of the house, I think the first thing we should make clear to the people is that it is the government's job to get things done in parliament, and if nothing is being done it is because of the failure of the government to provide leadership. This is a government reorganization bill. This government is selling reorganization to the nation and saying, "When we get these things reorganized, we will get on with the job." If this government had produced certain kinds of legislation, had put them on the order paper and they had remained on the order paper for a considerable length of time, and the reason the legislation was not passed was that the opposition were obstructing it, the opposition would have had to take a good look at itself and find out whether they were actually obstructing the government's program. But the facts are—you can dish it up as you like—that the reorganization under this bill will do nothing in particular to improve this parliament.

This is because we have had no leadership whatsoever; because we have had no legislation of any importance before parliament. Let me hit the nail on the head now. There has been no obstruction by the opposition. This

government cannot lay the charge of obstructing against us. This is an old, worn-out piece of salesmanship on the part of this government, because there has not been any legislation placed on the order paper except the controversial matter of the abolition of capital punishment. I am thinking of matters such as amendments to the Bank Act. In reference to the question of reorganization and getting on with the job of government in parliament, today I asked when the new Bank Act would be introduced. What was the answer? The Minister of Finance (Mr. Sharp) said, "I answered that question last week." I was away from the house last week and I make no apologies for my sin. However, I thought perhaps I had missed the answer and so I went to my office and looked up the minister's answer. His answer was very intellectual; he said, "We will bring it in soon."

This government knows the reason we are not getting on with the business and important matters such as the Bank Act. It is because they are so super-sensitive about the political trend in this country that they are frightened to bring in important legislation. Therefore they charge the opposition with obstruction. This government is not getting on with the job. I congratulate them on many phases of this reorganization.

Some hon. Members: Hear, hear.

Mr. Woolliams: I appreciate the response from the other side of the house in this regard, and I appreciate their agreeing with me. They are reorganizing the departments, but unless the government shows leadership they can reorganize the departments to death and will still not do anything. You have to get the legislation on the order paper whether it is embarrassing to you or not. You went out and electioneered on these issues. I congratulate you tonight. You are the government. We wanted to be the government. The Canadian people said, "We are not accepting your platform, particularly at this time." Therefore you are the government and it is your responsibility. You have failed in that responsibility.

If parliament is not getting on with the job, the responsibility is on the shoulders of this government. This is the very reason why in my opinion we now have this bill dealing with reorganization; it is to bluff the public in some regard. There are some changes in it that are good. Wherever you go in this nation you hear from the people that the only thing we are discussing in parliament is a commission for this or that matter—the Munsinger case, for example. I come to grips with the subject immediately; this inquiry is being held in another area and the only thing I know about it is what I read in the newspapers and I am not very interested. But the fact is that parliament has not done very much. The fact is that we have had the Speech from the Throne and have dealt with the question of the abolition of capital punishment. Then we had the Budget. But the main things the Liberal party promised to do, and the things waiting to be done, have been neglected and they are trying to hide under the cloak of that old propaganda of the opposition being obstructionists.

Let me say at once that we have not been obstructing in this parliament. I am not speaking about other parliaments or 1963, when the then opposition obstructed us to death. Neither am I speaking about the first Liberal government, when there may have been some obstruction on our part. But the fact is that we are talking about this parliament in 1966, and the onus is on the government to get down to the job and do the business. If the people of this country are fed up in this regard, they are fed up immediately after the election because the government has not done its job. That is the first point I want to make about reorganization.

Mr. Choquette: Perhaps you will be the leader of your party next week.

Mr. Woolliams: I am glad to hear that interjection, Mr. Speaker. Certainly if I was, or became leader, I would endeavour to assume the responsibilities of leadership, which the hon. member's party and his leader have failed to do.

Some hon. Members: Hear, hear.

• (8:20 p.m.)

Mr. Dinsdale: They are in agreement over there.

Mr. Woolliams: Yes, they are getting ready for their caucus on Wednesday. The reorganization of departments as suggested in this bill will not make for efficient government until leadership is given. This government lacks leadership and has lacked leadership for a long time.

There are some changes which would be welcome, and I have welcomed them, such as the placement of energy and mines under the same roof. However, when you analyse the bill carefully, you find it really has no value.

There are two reasons for this, and the first one I have covered. I have referred to the lack of leadership. This government has introduced a controversial issue when they could have been legislating and developing sound economic policies. For example I have given one illustration when I referred to the Minister of Finance (Mr. Sharp).

As I said at the beginning, the Prime Minister (Mr. Pearson) has been fitting the job to the man. He studied the three R's very carefully when he did not get the right men for the jobs. We are talking about reorganization, for example; but never in the history of this parliament has the Wheat Board been under the Minister of Finance. I am not taking anything from the minister's intellectual capacity or his intelligence or knowledge so far as the Wheat Board is concerned. After Harry Hays was defeated in Calgary, or perhaps even before he was defeated, since the Wheat Board was not under him, the Prime Minister realized he had to take an eastern Minister of Agriculture, a lawyer, who might not understand anything about the western farm economy. He therefore took a man who had been deputy minister of trade and commerce, a man who knew about the Wheat Board, and said: I will move that job over to him.

Some hon. Members: Oh, oh.

Mr. Woolliams: They are agreeing with me again; it is wonderful to have the Grits in agreement. It is a great feeling, but I will come to the point. The Wheat Board was placed under the Minister of Finance. In other words, the government has said they are going to reorganize the executive, but all they have really done has been to fit the job to the man.

Now, let us come to the question of the Department of Justice itself. We now have the Department of Justice divided into three. I gather that the Department of Justice is being carved up like a Christmas turkey, but the minister is not here. You have to analyse this situation carefully. The Prime Minister turned to the Solicitor General because, not only was he a very popular lawyer in his community and a likeable member of parliament, but he was good at public relations. The Prime Minister realized he had had nothing but trouble with his ministers of justice. He had to fire one when he did not really want to fire him. Then he got another man who gave him further trouble. It was decided to carve up this department and give the greater part of it to the Solicitor General, a man who was good at public relations, and in this way try to get out of the mess.

Let us not disguise the true merit of this bill. It is not as great as it looks. You are not really reorganizing the executive; but if I may digress for a few moments, there is something else with which you are dealing. I have talked about the three R's. In addition to that, whenever a senator has been brought into the cabinet, there has generally been no more than one. When a prime minister chooses his cabinet, he has to choose from amongst the elected members of his party. The situation in the United States is different. I am glad to see one member here who is always advocating a republic, and I hope he will listen to this. In the United States the President is elected, but he chooses his cabinet from the various walks of life. He can go outside of Congress to choose men of experience in the various fields. He does not seem to be so concerned with the three R's. He gets a man who can do the job. The Prime Minister, however, has had to concern himself with the three R's.

This bill is the direct result of one thing, and that is that the Prime Minister had to fit the job to the man. Let us take a look at what has happened in the Department of Justice. I want to say something now in a very serious vein with regard to the Minister of Justice. His job is one of the most important jobs, in my opinion. Under his department we have the legal officers of the government who advise all the departments of government on the law. The job of Minister of Justice, therefore, is extremely important. He has to administer the law of the land fairly and fearlessly, without discrimination. In order to do that, he must have a respectable administrative police officer. If I never make another point tonight in this speech, I want to make this point. Throughout the years in Canada the R.C.M.P. has been the most respected police group in this country. The force has been built on sound tradition and we have attempted to make certain that the R.C.M.P. and its commissioners were kept out of politics. If the Minister of Justice is going to administer the law, then in order to do that fearlessly, without discrimination, the R.C.M.P. should be under the administration of the Minister of Justice. There has been trouble in that regard.

The Prime Minister, under the guise of the reorganization bill, has transferred the

R.C.M.P. from the Minister of Justice, who he said would always be the Attorney General of Canada and always be responsible for the administration of law, and would always be the chief legal officer, to the Solicitor General. I ask you a simple question. How can the Minister of Justice perform his functions with the R.C.M.P. under the jurisdiction of another department? The only way you can have a successful Department of Justice is to have the complete co-ordination and working together of all groups. Now we have the R.C.M.P. under the Solicitor General.

Mr. Bigg: Maybe they asked to go.

Mr. Woolliams: Perhaps they asked to go, I do not know. Recently the image of the R.C.M.P. has reached a new low. Why has it reached a new low? The commissioner of the R.C.M.P., who had nothing to gain, because he had reached the highest post as a police officer in this country, gave evidence at a certain commission hearing and gave it fearlessly. I suggest he gave the evidence honestly because he was one man who had nothing to gain or lose by telling the truth.

• (8:30 p.m.)

Then along comes the man who is the head man in the House of Commons, the Prime Minister of Canada, and completely contradicts the commissioner of the R.C.M.P. on some of the evidence given to that commission. I am not going to discuss anything but the contradiction itself. We have not heard from the commissioner, he has been silent. We had a new version from the Prime Minister of what he had said. Somebody might suggest he is again suffering from selective amnesia. However, it is not for me to suggest that. When the Prime Minister, the leading officer of this House of Commons, the head of the government, takes the commissioner of the R.C.M.P. and throws him into the ash can, then you have taken a police force which was built on tradition and trust and reduced their image to a very low point. It is high time the members of this government stood up for the R.C.M.P. instead of criticizing them. I know the Solicitor General will do this; I have trust in his integrity. When hon. members criticize in this house, they should check to ascertain the facts. I believe the reason responsibility for the R.C.M.P. was given to the Solicitor General was that the man the Prime Minister had chosen to be Minister of Justice could not have worked with the R.C.M.P. Yet he is still holding that post.

Mr. Régimbal: He will be resigning soon.

Mr. Woolliams: Someone says he will resign soon, but that is up to him.

I think the placing of the National Parole Board and the Canadian Penitentiaries Service under the jurisdiction of the Solicitor General is a good idea. Men like George Street, who is head of the National Parole Board, has done a tremendous job. The board has administered paroles according to law to the best of their ability, and done an excellent job not only under the former government but also under this one. I believe that this is one job of which the Minister of Justice could be relieved, because political problems arise to which the parole board chairman is always subject. For example, everybody is subject to human behaviour. A thousand men may be paroled, one of whom goes wrong; yet he is the one the whole country hears about.

The same can be said of the administration of justice in the courts. One hundred cases may be properly administered, yet one which looks a little difficult or is not quite in order is the one which is publicized. The National Parole Board of this country is doing a tremendous job, and I am glad it is coming within the purview of the Solicitor General. I have the feeling that there will be no political interference as long as its administration comes under his department. I could not say the same if it remained where it was.

With regard to the Canadian Penitentiaries Service, I have attended some of the meetings the Solicitor General has attended, and I believe it is a good idea to transfer it to his department. Also we might bring about some reform of our penitentiaries.

One question I have raised over and over again, and which I will repeat, concerns juvenile offenders who are incarcerated in our penitentiaries. Our penitentiaries need reforming; they are outdated and are archaic. They have been dealing with the punitive aspects rather than the rehabilitative aspects, which makes the job of the parole board even more difficult.

However, when we come to look at the new Department of Justice, we find it is being carved up. The combines investigation branch, the litigation branch and the other branches of the department have been split up, which means there will be no co-ordination and that the law will not be properly administered. I see ahead of us something which may also occur in other departments,

and that is divisive confusion, to which I referred before when I spoke on this subject. There will be confusion and division. It would have been far better had the Department of Justice, with the exception of the two branches I have mentioned, remained as it was.

With regard to the new duties of the President of the Privy Council, I have this to say, and I say it with the greatest respect to him, there being nothing personal in my remarks. Whether he declined the offer or a change was made at the time, he did not seem to fit into the portfolio of Minister of Justice. He either had a problem with his leader or it was an administrative problem, but whatever the problem was he became President of the Privy Council. Then in order perhaps to satisfy his ego a little he was given one of the minor responsibilities of the Department of Justice. If that is called reorganization of government, then it is not good enough for me, Mr. Speaker.

Then another branch of the department, I think the fourth branch, that which administers our patent law, is to be administered by the registrar general. I am glad to see that taken out of the department. If I can discuss this matter under reorganization of departments, the patent law of this country is a disgrace. Only recently a man in western Canada who had invented a new kind of plough which would crush rocks, roots and similar substances wanted to patent his invention so that it would not fall into the hands of the United States, and in order to do so first had to register it in the patent office in Great Britain and then reregister it in Canada to protect his invention in the United States.

Now, Mr. Speaker, I am not a patent solicitor but I was advised by the experts in Toronto that it had to be done in that way in order to safeguard the patent. Therefore I suggest to the minister who is taking over responsibility for our patent law that some arrangement should be made, with the United States particularly, so that when patents are registered in Canada they are recognized both in that country and throughout the world. otherwise our office will just be a rubber stamp as far as patents are concerned. Therefore, Mr. Speaker, I congratulate the Prime Minister for this reorganization, which has been neglected in the past probably because our ministers of justice have been busy with the administration of the law and their other duties.

When new portfolios are created you also create new departments, which means taking on additional employees. Two years ago—I have not made inquiries since—I asked the Dominion Bureau of Statistics to work out for me the amount of the budget which is devoted to the salaries of civil servants in this country—not that they are overpaid by any means in many of the categories—and I was told that $1.57 billion goes for salaries.

There is a feeling across the nation today that the government are building up large bureaucracies. Whether this has been brought about by the new pension plan or by the reorganization of various departments, appointing new deputy ministers and taking on more staff, it means we have more bureaucrats, which will have to be paid for through more taxes. If efficiency is the result, then in light of our growing population we might say it is good organization. But if it really means that we are fitting the job to the man because the Prime Minister has not got the right man for the job, then this means additional cost to the taxpayers of this nation. I should like to repeat that two years ago—and the figure must be higher today—$1.57 billion of our budget went toward civil servants' salaries. That is a lot of money spent on running the nation.

On top of this, Mr. Speaker, we must remember when talking of reorganization of government that there are ten provincial governments. Therefore we can see how much it is costing to govern this country. If Canada has one problem which is gnawing away at its ribs, it is the problem that as a nation we are over-governed. I regret to say it, but every time I hear speakers in the House of Commons trying to whittle away the powers of the central government which were laid down by the constitution in order to decentralize the nation, it seems to me that this means more bureaucracy, because we are really setting up ten distinct nations.

As the hon. member for Qu'Appelle (Mr. Hamilton) said, the problems of the nation demand more than having the minister of resources running across the nation making speeches. He made a speech in Calgary, if I may quote this as an illustration, and was supposed to speak about resources. We feel we are sitting, Mr. Speaker, on great pools of oil out there, with large contracts being made with Japan and other nations. Yet this minister devotes two thirds of his speech to the B. and B. Commission. We all know about the B. and B. Commission.

Government Organization

Mr. Pepin: Mr. Speaker, on a point of privilege, may I tell the hon. gentleman that I will send him a copy of the speech I made in Calgary on the subject of petroleum.

Mr. Woolliams: I have already read his speech, Mr. Speaker.

• (8:40 p.m.)

[*Translation*]

Mr. Caouette: Mr. Speaker, on the question of privilege raised by the Minister of Mines and Technical Surveys (Mr. Pepin), I would ask him to listen to me, to allow me to say just a few words.

This afternoon, you called me to order because I was straying away from—

The Acting Speaker (Mr. Rinfret): Order.

Mr. Caouette: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Rinfret): Is the hon. member rising on a question of privilege or is he raising a point of order?

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

The Acting Speaker (Mr. Rinfret): The hon. member for Villeneuve on a point of order.

Mr. Caouette: Mr. Speaker, you called me to order at least a dozen times because I was straying away from Bill No. C-178 that is now before us.

I notice the hon. member for Bow River (Mr. Woolliams) does not wander, but he is straying away totally from the subject matter that deals with the act respecting the organization of the government.

I understand that the government is disorganized, Mr. Speaker, but at any rate my point of order is the following: As Your Honour called me to order this afternoon, I think it would be in order to also remind the hon. member for Bow River that he must limit himself to the principle of the bill. It is not that I do not want to hear him, on the contrary I want to hear him, but in due course.

The Acting Speaker (Mr. Rinfret): Order. I thank the hon. member for Villeneuve for having enlightened the Chair.

[*English*]

Mr. Woolliams: I am always glad to have little interruptions like this in the middle of one of my speeches. If I post a copy of my speech to the people back home they will realize that I had a good audience, and that the leader of the Ralliement Crèditistes was listening to me.

To go back to what I was talking about before, that subject comes under the minister's jurisdiction. I congratulate the Prime Minister who organized this set-up, for having these resources under one department. I hope that the minister is carrying out his function. I hope he will get on with his job. That was the wish expressed by the people in Calgary. They were members of the Chamber of Commerce. I do not know their politics, but I wondered whether some of them had heard the talk by the minister. We heard a speech, but we did not hear any talk.

If the minister did talk about resources, let me say that we were most impressed. We have very important resources. We hope that the minister's department and other government departments are as interested in promoting the kind of trade and attention that the province of Alberta deserves, and that the premier of that province thinks are warranted. In connection with that, may I say that the premier has just returned from Japan.

Coming back to one last point that I wish to touch on, I still say that this bill is not really a bill to do with reorganization. There was a problem in the cabinet. In order to satisfy the problem the government set up certain jobs, and then it said that certain men probably could do those jobs. In other words, the government said: "We will take certain functions of that department and this department, and give it to somebody else, because another man will probably handle it better than the present man in charge of that department, and there will be fewer political repercussions.

When in the near future we talk about the R.C.M.P., which now comes under the department of the Solicitor General, I hope that the Prime Minister and other members of the cabinet and of his party will stand up and defend that force, because without a police force such as the R.C.M.P., without the tradition that it has built up, we could not administer law properly in this nation.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I listened with great interest to the speech of the hon. member for Bow River (Mr. Woolliams). What struck me most was

his thundering peroration in which he insisted upon the respect we should show the officers of the R.C.M.P. On that score, Mr. Speaker, I can but share the opinion of the hon. member. On the other hand, I also believe we should bear, not only the R.C.M.P. and its officers, but also the judges of the Supreme Court of Canada and all other judges, equal if not even greater respect.

Mr. Speaker, now that we are studying the clauses of Bill C-178, and after hearing the short but eloquent speech made by the hon. member for Trois-Rivières (Mr. Mongrain), which I found most interesting, I have come to the following conclusion: an over-all reform is required.

I fully agree. Not only an administrative reform, but also a reform of our parliamentary system. Nothing proves to date that we have the most perfect, the best system in the world. It might be timely to ask ourselves questions and to see what reforms might be brought in.

I know some are anxious to respect traditions; they always plead that argument, dreading what changes are required.

The British system has brought multiple bounties; but, Mr. Speaker, we are living in North America, and we must face the North American realities. In view of those realities, we must be able to adapt our institutions, both governmental and parliamentary.

Since we are dealing with the reorganization of the departments, I would like to make a few remarks and I would be happy if the members of the cabinet and the members of the house studied them very attentively. To pursue the same line of thinking, namely that we are living in a North American environment, I would be very anxious to see the Canadian authorities study the American system and learn from it.

As mentioned a little earlier by the hon. member for Bow River, I think that in the United States the ministers are appointed instead of elected. There is no evidence that that it is not a good system which could be very effective in Canada, Mr. Speaker.

What is the position of our ministers today? They must have three fundamental qualities. First of all, they must be administrators because they are heads of departments and, as such, they must know how to administer. Second, they must be parliamentarians, and then God knows how much precious time they lose here in this house, especially when they must face an opposition which is fundamentally obstructionist.

Mr. Speaker, the ministers must first of all be administrators. Second, they must be parliamentarians, but nothing tells us that a good administrator is also, as a corollary, a good parliamentarian. The contrary is often true; those who have the least to say, who do not have any ability in a parliamentary world, make the best administrators.

Under our system, in Canada, to be head of a department, to be chief administrator or to head a department, one must also be a parliamentarian.

And third, the third quality just as fundamental which the man who is called upon to head a department must also possess is that of being good at election time because whomsoever may be called upon to assume such responsibilities, he must face the electorate, he must get elected; then, he must spend a lot of energy to reach the position for which he would be highly qualified, without having to go through the whole process which constitutes, in several cases, an obstacle which is hard to overcome.

Administrators on one hand, members of parliament, elected men on the other. We have seen in this house ministers of superior calibre who could have played an extraordinary part, rendered immeasurable services to their country, their native land, but precisely they did not have parliamentary ability, they have not been able to devote all their energies, all their talents to the development of our country.

It is for this reason that we must take the situation in serious consideration so that the major reform mentioned by the member for Trois-Rivières be looked into and implemented in the near future because we, of the young generation, are very sceptical about the quality, the merit and the efficiency of our institutions.

Mr. Speaker, I am of the opinion that certain reservations can be made to the bill before us; this proves that there are no fanatics on this side of the house, even sitting on the government side. For instance, I read this in Section 13:

> The duties, powers and functions of the Minister of Manpower extend to and include all matters over which the parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency of the government of Canada, relating to
>
> (a) the development and utilization of manpower resources in Canada;
>
> (b) employment services; and
>
> (c) immigration.

Mr. Speaker, this is where I raise the objection I wanted to put before the house. It is that the Minister of Citizenship and Immigration (Mr. Marchand) is seen as an assistant to the Minister of Manpower. Immigrants who arrive here are considered as values, tremendous resources that must be placed and utilized. There is a situation to which I take strong exception. I would want a Department of Immigration not established on the basis of manpower utilization, but on the basis of demographic balance, for herein lies a greater threat for Canada and Canadian unity.

There is much talk about separatism in the province of Quebec. Sometimes federal members of parliament have their heads buzzing with the cries of alarm from the province of Quebec. At times, I feel that we, French speaking Canadians, should try to understand the majority. We are very negligent. I hear certain candidates, in the current election campaign in Quebec, speaking of two nations in Canada. There are no two nations in Canada. There are two societies: one English speaking, the other French speaking.

It may be that French Canadians, because of their common language, their culture, their traditions, their religion, form a nation, but the English speaking community is not a nation. When Messrs. Daniel Johnson and Jean-Noël Tremblay refer to two nations, they are mistaken: there are not two nations, but rather two societies.

Why does the English speaking society increase faster than the French speaking one? Because of immigration. It is my duty to say so. Since confederation, federal authorities never thought about immigration in terms of bi-racialism. It is the major grievance of French speaking Canadians. They say: We have been taken in by confederation. They are not entirely right, but there is some truth in what they say. Naturally, immigrants assimilated the English culture. I find very regrettable that our leaders, since confederation, never said: We are going to consider this bi-racialism in Canada.

I find it unfortunate that the federal government could not have cared less; it has been apathetic and indifferent since confederation. It serves the Canadian society badly. A true Canadian government should serve all the regions of Canada, respect the characteristics of every corner of the country. That is why violent complaints are heard in the province of Quebec.

Mr. Speaker, the independence party is not a danger in the province of Quebec. The theoretical separatist in the province of Quebec is not dangerous. The dangerous ones are the separatists indeed who show themselves—

• (8:50 p.m.)

[*English*]

Mr. Deputy Speaker: Order. I am sure the hon. member for Lotbinière would not wish to stray too far from the principle of the bill.

An hon. Member: Playing politics; that's all he knows.

Mr. Choquette: I am not playing politics. I am giving the facts, and you know it.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Will the hon. member allow me a question?

Mr. Choquette: Certainly.

Mr. Mongrain: Mr. Speaker, I would like to ask the hon. member for Lotbinière if he does not think that the situation he is pointing out to the house is due to the fact that the Quebec government is responsible for the lack of French immigrants?

Mr. Choquette: Mr. Speaker, the hon. member is right in part. Under section—

Mr. Caouette: Absolutely right.

Mr. Choquette: Right in part. If the hon. member wants to hold a public debate in Rouyn-Noranda, I will attend.

[*English*]

Mr. Deputy Speaker: Order. Again I shall have to ask the hon. member for Lotbinière to adhere as closely as possible to the principle of the bill.

[*Translation*]

Mr. Caouette: I rise on a question of privilege. The member for Lotbinière (Mr. Choquette) has just challenged me to hold a public debate in my riding. Any time he wishes, I am not afraid. I could tackle 24 at a time of the same calibre as the member for Lotbinière. This afternoon—and on this point, I agree with what the member for Lotbinière has just said—while dealing with the same matters, I was called to order a dozen times. I am wondering whether a member is allowed to do tonight what was forbidden another member this afternoon around four or five o'clock. Even though the solutions he suggests may be sound and the facts he is trying

to prove to the house may be true, let him stick to Bill C-178. A rule for Peter and another for Paul is quite uncalled for in this parliament.

[*English*]

Mr. Deputy Speaker: I think the question of privilege raised by the hon. member for Villeneuve was well taken and I hope the hon. member for Lotbinière will comply with the ruling of the Chair without having to be called to order ten or 12 times.

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

Mr. Choquette: Certainly. With pleasure.

Mr. Winkler: This should be good.

Mr. Macaluso: The hon. member for Lotbinière said he was opposed to immigration being combined with manpower. Will he tell us whether he is opposed to immigration—whether, when he speaks of separatism in Quebec it is because he believes in immigration—

An hon. Member: Take it up tomorrow in caucus, Joe.

[*Translation*]

Mr. Choquette: Mr. Speaker, the question of the hon. member is excellent. If I agreed to answer, the hon. member would lead me to another subject and I would be called to order. I am ready to answer him, but my reply would obviously be quite elaborate. Then, you would have to apply the rules.

[*English*]

Mr. Deputy Speaker: I am sure the hon. member for Lotbinière is well aware of the difference between immigration and the reorganization of the department. I hope the hon. member will use the remainder of his time to discuss the principle of the bill now before the house.

Mr. Macaluso: On a point of order.

Some hon. Members: Oh.

[*Translation*]

Mr. Choquette: Mr. Speaker, with the information you have given, may I be permitted, in accordance with your decisions, to note this: It is that with the proposed reorganization, it is perfectly clear that the department of immigration is eliminated. It is perfectly clear that the department of immigration is becoming a subdivision of the manpower department and that the present thinking, the thinking laid down in this bill, immigration is henceforth connected with manpower and the development of natural resources.

Now, I am opposed to that. I am violently opposed to that, because I maintain that we should have a separate department of immigration. A department of immigration and manpower that does not preclude full co-operation, that does not preclude interdepartmental correlation but I believe that we have a right—and not only the right but the imperative duty to state this—in view of the fact that the population balance is constantly disturbed by immigration. These are not demagogic recriminations, Mr. Speaker. These are facts that have been proven since 1867. The French group is constantly being drowned out and whose fault is it? I am not denouncing anyone, nor making any accusations. I say that, at the time, the concept was such that the country could not be thought of as essentially biethnical.

It was thought: The immigrants are coming, let them go anywhere. The federal government was unconcerned. The hon. member for Trois-Rivières (Mr. Mongrain) said: There is a weakness. Yes, there is a weakness in the provincial government. Here, I want to congratulate the President of the Privy Council (Mr. Favreau) who was one of the first to go to Quebec and to call the attention of the government to this delicate question, and he did not hesitate to take them to task for having remained inactive, as the hon. member for Trois-Rivières so aptly put it, in the field of immigration and it is at the urging of the President of the Privy Council that consulates were finally opened at Bordeaux and Marseilles, together with immigration offices and for this, I congratulate him.

• (9:00 p.m.)

However, Mr. Speaker, this does not give the results expected by these offices because, first of all, there is in France a certain resistance to the immigration of French citizens.

Therefore, I should like us, first, to have our own separate Department of Immigration. Second, I should like us to hold a national conference on immigration problems, because if the demographic balance continues to be upset, ideological revolutionaries and extremists will rise even more, and we wonder what we will do with those problems in 25 or 30 years, when the two

great Quebec parties will solicit votes, one for a stronger Quebec and the other for Quebec first.

It is no longer a question of Canada. It is Quebec first. Twenty years from now, they will say: out with Canada. That is what will happen if nothing is done to correct the situation. Therefore, Mr. Speaker, I repeat that I want a department of immigration separate from the department of manpower.

Second, I suggest a national conference on immigration problems in order, first, to strengthen the French minorities in provinces outside Quebec and, second, to take steps so that all immigrants to this country take an interest in the two cultures.

Yesterday, Mr. Speaker, I was in St. Célestin, in the county of Nicolet. I shall conclude my remarks with this. I was in Saint-Célestin, in the county of Nicolet, where a former Conservative member of parliament is candidate. This is a French Canadian who has left Ottawa. French Canadians are becoming less and less interested in Ottawa. The problem is much more serious than you think. I met there an immigrant who only spoke French. I asked him: Why do you not learn English to be bilingual?

[*English*]

Mr. Deputy Speaker: I am sure the hon. gentleman is well aware that the remarks he is now making have no relation at all to the principle of the bill which is before us.

[*Translation*]

Mr. Choquette: Thank you for your remarks; I will conclude with this. Yesterday I met an immigrant who spoke only French. This reminded me that we need a separate department of immigration, not only to strengthen the French minorities outside Quebec but also to initiate all immigrants to this new mentality in the province of Quebec and in Canada, that our country is truly bicultural, bilingual and biethnical and that all immigrants, English speaking people, say: You want to integrate the English culture, but take also some interest in the French language, because there are six million inhabitants here who speak French.

I met yesterday this immigrant who spoke only French. I said: You should take some interest in the English language because there are many English speaking people in Canada. We like the English speaking and we respect English speaking Canadians. We want a truly Canadian Canada where both cultures, both languages and both races have the same rights, the same respect, the same privileges. But we will defeat, crush and repudiate forever this false and heretic doctrine of separatism.

[*English*]

Mr. Deputy Speaker: The hon. member for Greenwood.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I will not attempt to follow the hon. member for Lotbinière (Mr. Choquette) into the turbulent channels into which he has led the debate. I propose to return to the more prosaic subject of the bill which is before the house.

Mr. Choquette: You have always been quiet in this house.

Mr. Brewin: I can assure the hon. member that on another occasion I would be delighted to discuss the topic with him.

Mr. Speaker, in dealing with this particular bill I am reminded of the old story about how an assistant curate was faced at the breakfast table with an egg of dubious quality and when the rector's wife asked him if we was enjoying it he replied it was good in parts. Mr. Speaker, I propose to discuss some of the dubious parts of this legislation, without denying that some parts of it are good and without attempting to give an over-all assessment of the legislation. I also am able to discuss this bill without entering into a discussion of the personalities of the ministers who either now, in the future, or in the immediate past have occupied or are likely to occupy the various ministries involved in the re-organization. I do this because I think the merits or the demerits of the organization may outlast the particular qualities, or lack of qualities if that is possible, of the particular ministers involved.

The test in respect of any re-organization bill surely should be whether it is likely to contribute to the effectiveness of the government in dealing with the urgent tasks which face it. That they are urgent and changing tasks certainly is very clear. I continue to believe that the assignment to the department of the Solicitor General of the jurisdiction relating to the Royal Canadian Mounted Police is a very grave mistake. The bill leaves with the Minister of Justice and Attorney General, which is the same individual, full responsibility for the enforcement of law. This responsibility is a broad one which

involves working in as close as possible co-operation with the police force which is responsible for law enforcement and for the detection of crime. This problem increases in its difficulty and complexity as one develops a highly organized criminal operation which carries on across both provincial and international boundaries. It seems to me that without an efficient and well trained police force acting in close co-operation with the officials of the crown who are responsible for law enforcement, it would be impossible to deal adequately with this menace, and it certainly is a menace.

One of the most important features of law enforcement at the present time is the ability to co-operate with the departments of justice in other parts of the world, for example in the United States, the provincial law enforcement departments, the attorneys general of the various provinces, and indeed with the municipal law enforcement officers. How can a department, the other functions of which under this particular bill are restricted to such matters as parole, penitentiaries and matters of that nature, be in charge of the extremely delicate and important responsibility of the Royal Canadian Mounted Police. The whole issue of security is one which falls on the shoulders, I suggest, of the Minister of Justice, and yet the police force which is responsible for reporting on matters of security is put under the jurisdiction, for training, organization and for all matters concerning its welfare and discipline, as a separate government department or a separate minister of the crown, namely the Solicitor General.

• (9:10 p.m.)

My remarks have nothing whatever to do with the present Solicitor General (Mr. Pennell) or the present Minister of Justice (Mr. Cardin). It does seem to me to be totally wrong in these days when security is important, and when the battle against organized crime is important, to handicap the efficient dealing with these matters by taking the very force that should be the spearhead of enforcement out of immediate association with the department responsible for law enforcement.

I did not hear all that the right hon. Prime Minister (Mr. Pearson) said today, but I believe that he did suggest that this change would make the situation equivalent to the British system where the home secretary has some responsibility for the police, and under which system there are different departments administering justice. I suggest that the situation in Britain is totally different. They have a homogeneous population with very different sorts of problems, different traditions and a different background. I do not know how well that division works there, but I suggest that if it works well that is no reason to assume it will work well here.

There is one other feature of this bill which again suggests a sort of haphazard allocation of functions. As has been suggested, in order to balance the different ministries and to give each minister and his department something, or enough, to do, problems in relation to bankruptcy and insolvency have been assigned to the new department called the department of the registrar general. Again one can discuss this without relation to any other personalities involved.

I do not think the government has yet appreciated what is involved in the battle against bankruptcy frauds. It has overlooked the fact that reputable newspapers have described conditions in the bankruptcy field as being equivalent to twentieth century highway robbery on a grand scale. They have referred to the breaking down of law enforcement and $500 million lost to small businessmen throughout this country, largely through the inefficient administration of bankruptcy laws. Or, they have suggested that a good portion of the $500 million has been lost in that way.

In this house the Minister of Justice told us at one time that there was to be a re-organization of and amendments to the Bankruptcy Act which would permit the government of Canada to take a new and much needed responsibility in the field of investigation of bankruptcy frauds. What sense does it make to do that when the responsibility is to be handed to a department which is totally outside the channels of law enforcement? That department will have to develop a new channel of communication with the provinces or operate through the offices of another department.

If this government is seriously worried about bankruptcies it should not put bankruptcies and insolvencies into an entirely different department which has certain important responsibilities in regard to combines, which in itself is a large subject and ought to encourage activity far beyond what is taking place. That department also has responsibility for patents, copyrights, trade marks and corporate affairs. The new registrar general of

Canada will have plenty of responsibility without having partial responsibility for law enforcement.

I give warning to any member of the government who happens to be within earshot of my voice, that at the committee stage of this bill we propose to bring in amendments which, if accepted by the house, will remove these anomalies and dangerous changes which, instead of adding to more effective enforcement of the law, may very well have the effect of frustrating this enforcement in these very important fields. I hope that when that time arrives the house will consider seriously whether this bill requires amendment in this regard.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I would like to take a few minutes this evening to discuss Bill C-178 introduced by the right hon. Prime Minister.

During the debate which followed the introduction of the bill, we heard a lot about the reorganization of the Canadian government and related or incidental questions. However, the bill deals with organization and not reorganization. I cannot imagine how something which is not organized could be reorganized.

I think today is the 82nd day of this session and if we consider the work performed and the legislation passed in those 82 days, we realize that not much has been done. Therefore, I believe that if we have not made more progress in those 82 days, it is precisely because of a lack of organization on the part of the government.

I think that the Prime Minister is justified in introducing a bill on the organization of the Canadian government and on related or incidental matters.

Mr. Speaker, as mentioned by previous speakers, we must hope that this bill will give satisfactory results.

I think, as previous speakers, that amendments will be moved when we will consider the bill section after section.

There is one think I should like to mention to the house; I have noticed it myself for a number of years and many people with whom I have talked about it, have mentioned it also; at a given time, when those in charge of departments seem to become acquainted with their department, and take in hand its operation, what do we see? The Prime Minister announces a cabinet shuffle.

[Mr. Brewin.]

• (9:20 p.m.)

What does this mean, what does the Prime Minister try to prove? I understand that, at a certain time, when the incumbent of a department does not have the necessary qualifications to be in charge of some departments, the right hon. Prime Minister then tries to find for him a department where he could test his skill.

But, in my opinion, the ministers in charge of departments are moved too often for them to achieve the expected results. This is why, in my opinion, when the Prime Minister selects the minister for various departments, he should study more closely the qualifications of the candidates for those positions, so that they might stay as long as possible in charge of those various departments, and show there a maximum of efficiency.

I am willing to admit that when the government changes, when the voters decide to change government, well, then, those ministers must change.

Now, then, Mr. Speaker, what I want to point out in that connection is that we should find better men, more competent men, to take over as ministers, and especially in the new departments we are planning.

One department is of special interest to me, that of Mines and Technical Surveys. I hope the present minister (Mr. Pepin) will head the new department of energy, mines and resources.

I wish to point out to him that among the Department of Mines and Technical Surveys publications, few are to be found in French. I feel that the French Canadian people are really not favoured in that respect.

Mr. Caouette: That is because the hon. member is English.

Mr. Laprise: I do not blame the hon. minister. A remark has just been made, but please note, Mr. Speaker, that I do not blame the present minister, for he has been in charge of that department for a short while. But I must say that nothing has been done to date to improve publications on Canadian mining. I therefore hope that the hon. minister will take my remarks into consideration and act on them, seeing the present Liberal government claims continually that it wants to do justice to the two main races in Canada today.

Now, in connection with the Department of Energy, Mines and Resources, I would like to draw the attention of the minister on

the fact that the constituency which I represent, that of Chapleau, is very extensive and rich in mining resources of all kinds. I think that the minister knows it, because he has surely received requests and has been in a position to consider them before taking over that department.

He knows that northwestern Quebec has a huge and varied mining potential. I wish to point out more especially the iron deposits which have been discovered recently in the Val d'Or, Miquelon and Cadillac areas.

Surveys were made which indicate that there are at least 6 million tons of iron ore lying there and waiting to be developed. Now, Mr. Speaker, I think the minister should look into the matter and have those natural resources developed and turned into production and consumer goods and put to use for Canadians who are asking for them to fill their immeasurable needs.

These iron deposits are close to the roads, railways, communications of all kinds. We have the manpower who would be delighted to work at it. Then I think therefore that in reorganizing this department some consideration should be given this matter.

There is something else I would like to mention. On many occasions especially during this session the hon. member for Villeneuve (Mr. Caouette) my colleague for the neighbouring riding has called the attention of the minister to the development of gold mines in the area. Each time, the minister answered that he would defer to the province of Quebec. Then, if the minister has nothing to do with mining operations particularly with regard to gold mines, I am wondering why this is mentioned in paragraph (a), clause 29, of Bill No. 178 on reorganization. And I quote:

(a) energy, mines and minerals, water and other resources;

In my opinion, the minister should at least make suggestions to the province of Quebec on measures meant to assist gold mines, if he cannot act himself, not so much for gold mines as for the miners working there.

Today, mines in operation are bound to close down because they show no profit. Now, it is needless to say that the new projects will not be carried out, that new mines will not be opened, because I believe that in the reorganization of this department they should think about making gold mines profitable, so that the miners working there can find what they expect, namely an income comparable to that found in any other mining industry in northern regions or elsewhere in Canada.

Now, Mr. Speaker, while we are still considering the reorganization of the department of energy, mines and resources, I see in clause 29 that among the functions of the department, the latter will have to see that—

Mr. Speaker: I suggest to the hon. member that on second reading of a bill, he cannot refer to a particular clause; he can only deal with the principle of the bill.

Mr. Laprise: Mr. Speaker, I thank you for calling me to order in the terms you have just explained to me. I always thought that when considering clause 1 of Bill C-178, one could deal with all parts of the bill generally.

Mr. Speaker: I must point out to the hon. member that we are not considering clause 1 of the bill, we are considering a motion for concurrence in second reading of the bill.

Mr. Caouette: On a point of order, Mr. Speaker, are we discussing Bill C-178 in general or only part of it?

Mr. Speaker: Order. The hon. member for Villeneuve is raising a point of order. I am quite sure he knows as well as I do that we are now considering a motion concerning the organization of the government of Canada and matters related or incidental thereto.

It is an elementary rule of this house to refrain from referring to particular sections of a bill at this stage.

Mr. Caouette: Mr. Speaker, I respectfully submit that since this afternoon every single member has referred to some section or other concerning a department proposed in Bill C-178.

I would not want the member for Chapleau (Mr. Laprise) to be subject to discrimination any more than other members who spoke on Bill C-178 and who were allowed to say almost anything they wanted on any section of Bill C-178.

Mr. Speaker: I cannot change the standing orders. The hon. member knows the rules as much as I do. I am sure he will want to abide by the rules in the course of his remarks.

Mr. Laprise: Mr. Speaker, at any rate, I was about to conclude my remarks. When we study the bill section by section, we will then be able to consider in detail the matters we wish to raise. At that time, if we want to make suggestions to the Prime Minister who introduced this resolution and this bill, I think it will be proper for us to tell him what we expect from this government reorganization.

Therefore, Mr. Speaker, I will conclude here my remarks on the Department of Energy, Mines and Resources. Other hon. members have talked today about immigration, bankruptcies, etc., I wanted to draw attention to the organization of the Department of Energy, Mines and Resources so that more consideration would be given to that field of the Canadian economy in order to get the results which the mining operators and the miners are expecting from that organization, from that Department of Energy, Mines and Resources.

• (9:30 p.m.)

[*English*]

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I should like to make a few remarks on Bill No. C-178. I think two things are clear from listening to the Prime Minister (Mr. Pearson) this afternoon, reading the bill and listening to other members who have spoken. One is that the brave words uttered two or three years ago of "exciting the daring and testing the strong" could be paraphrased into "dividing departments and confusing the throng". The one other thing that is quite clear from the remarks of hon. members this afternoon and evening is that they want a change of the cabinet to conform to the practices and pressures of a modern society.

I think the Prime Minister (Mr. Pearson) was quite correct when he said that members would welcome a change which he said would give effective executive action. However, the problem here, and the great fear amongst many members on this side of the house when they contemplate the changes, is that the bill will not give effective executive action. Instead, the bill is just going to defuse, dissect and divide whatever action we have had thus far. I question the Prime Minister's statement that it is a first step. If this is a first step, Mr. Speaker, then the infant is not going to survive the muddle of misunderstanding and confusion to which this bill gives rise.

[Mr. Speaker.]

In explaining the point of order raised by the hon. member for Peace River (Mr. Baldwin), the Minister of National Revenue (Mr. Benson) referred to a shuffle. I believe that is the best thing that could be said about this bill, that it is a shuffle. It is a shuffle from a government looking for some direction to counter the conditions that have been so prevalent these past few years. The members do want a change. I can agree in many respects with the hon. member for Lotbinière (Mr. Choquette) on some of those changes.

There are some members who may laugh about the type of change suggested because there is a need for having an effective cabinet, an effective government, trying to organize the business of this house and the business of the country. How can you effectively organize the business of this country when you, in effect, draw and quarter some of the departments we have here today. I am not going to deal with them all because many speakers have already dealt with the departments with which I was going to deal.

In so far as justice is concerned, you have a troika in that department. We all recall what happened in the United Nations when Khrushchev suggested a troika for that organization. This raised problems of the delegation of responsibility, problems of the implementation of policy. I suggest with the greatest respect that these men who are going to be part of the troika administering justice, are not going to increase the efficiency of this department. It is going to be confused by a lack of co-ordination and direction as between the ministers who are going to handle justice problems.

You have already had the problem of agriculture discussed, and that is important in my riding. This situation is particularly close to me because you have the Department of Agriculture and agriculture problems divided among the Minister of Agriculture (Mr. Greene) the Minister of Forestry (Mr. Sauvé) and the Minister of Finance (Mr. Sharp). We have again, Mr. Speaker, a divided delegation of power when one minister, with the proper delegation under that minister, could solve many of the problems of the farm.

The third problem has already been ably discussed by the hon. member for Qu'Appelle (Mr. Hamilton) tonight. I refer to the conflicts between the proposed minister of Indians affairs and northern development and the minister of resources and energy. One of the reasons I was prompted to speak tonight, for

whatever it is worth, was the Prime Minister's attempt to define the division of responsibility between the minister of resources and the minister of northern development in the north, on the basis of wet land and dry land.

Now, Mr. Speaker, I must say I was somewhat amazed and somewhat surprised at this specious reasoning to justify a government bill which obviously has been drawn by some professional man in an ivory tower and without any knowledge of the realties of life. It is just as specious for the Prime Minister to divide that wide country on the basis of wet land and dry land as it would be for me to divide a cup of tea on the basis of whether one wanted lemon or one wanted it black. It is still a cup of tea and the north is still the north. Whether it is wet land or dry land, the winter is still cold and the problems are the same so far as the Eskimos are concerned. How are you going to solve these problems with more bureaucracy and a further increase in the cabinet without the actual implementation of policy or by having two ministers where one would do? I suggest, Mr. Speaker, that this is the best example of dereliction, this drifting between dry land and wet land. If anyone else but the Prime Minister had made this statement, Mr. Speaker, he would have been laughed out of the house.

The other matter, also, involves the minister of northern affairs and the minister of energy and concerns this question of water. It is somewhat of a paradox that this question of water in the only area where the federal government has absolute control, that is in the north, is going to be taken out of the hands of the minister of energy and is going to be left with the minister of Indian affairs and northern development. This anomaly and paradox again indicates the expanded number of questions with regard to the present formation of government, and indicates they did not look at cabinet reformation on the basis of policy.

How can you have direction and leadership on policy when you have 26 ministers, as this bill is going to provide? Let us take the country to the south as an example, and this is where I can agree with my republican friend from across the way. I appreciate the special problems of the United States, and their history of republican government. They may think we are confused and muddled up here, but we are going to be more muddled and confused if this bill goes through, and it is realized that the great country to the south has only 12 ministers while we in this country will have 26.

Now, I grant you that they have their republican system and the ministers are not responsible to the legislature. But the fact is that there is this vast space in the United States and they have this fundamental civil rights question. We have a problem between two great races. They have a problem of area, a problem of people, a problem of cities, they have all the problems we have 20 times over, and yet they can rule their country with one half the number of ministers that we have in this country. I think the hon. member for York South (Mr. Lewis) would find a lot of support, and I think a lot of members opposite would give their support, to a compromise between the republican system and the English system across the water, of getting a small inner core of cabinet and a larger outer core who could administer the departments.

When you compare what is proposed in this bill with what is done in the United States, and compare it with any board of directors of a large corporation like General Motors, you find that no company would have more than 26 directors. If they do have 26 directors, then they have an executive committee to do the daily administrative work or carry out policy. You cannot run a company with 26 directors.

The only other point I should like to draw to your attention is that I should like to hear from the Minister of National Defence (Mr. Hellyer). I should like him to tell us just how he accepts this bill on government organization when he is the great advocate of integration. He speaks of integrating the services, but they are disintegrating the government. In effect, Mr. Speaker, that is just what they are doing. I should like to hear the Minister of National Defence try to relate this bill to what he is trying to do with the three services which were here long before he was minister and which I suspect are going to be here long after him. There is a basic flaw in his fundamental belief if he can accept this bill because he has told us that in order to have an efficient organization with direction you are supposed to have integration.

However, he is the member of a cabinet that is trying to propound a bill that is going to increase the number of cabinet members. At least, according to the Prime Minister, it is not going to decrease the number of speakers—not speakers, sir, we do not need any

more, Mr. Speaker. I think the Prime Minister can take comfort from the number of people who have spoken on this bill, because if he has any problems with the cabinet he will have lots of help from the members who have made suggestions. We are not worried tonight about the personality of the cabinet, we are worrying about the principle of the government reorganization bill. If the Prime Minister is sincere in his new politics, and if it is a time to excite the daring, why have we not got a bill which has a principle behind it rather than the political expediency of trying to make a bill conform to the present members of the cabinet? I think there is unanimity in this house on the necessity for changes in government reorganization, but that is in relation to changes in policy. I suggest that leadership would be shown if a bill came forward on the basis of policy. You do not step forward when you have a shuffle and you are not stepping forward when you have a shuffle such as the Minister of National Revenue mentioned earlier.

The hon. member for York South mentioned four reasons why he believes there should be a cabinet reorganization. This thought carries me back to the analogy with the United States. We have problems with dominion-provincial relations, and this bill is not going to help further those at all. I have suggested in these few remarks that there should be more work on re-organization. I think there is general unanimity about reorganization, but a reorganization on the basis of some plan and policy, rather than leaving the gaping anomalies that we have in this bill and which have been pointed out more effectively by other speakers than I have been able to do.

• (9:40 p.m.)

Mr. Speaker: Order. Before I call on the next hon. member to speak I should like to refer to the point of order which was raised this afternoon by the hon. member for Peace River (Mr. Baldwin). He made the suggestion that the resolution preceding Bill No. C-178, which is now being considered by the house, was insufficient and that there should be a further resolution to precede the bill, or that the existing resolution should be amended to make specific reference to the establishment of the new department of forestry and rural development.

During the last few hours I have had the opportunity to consider the arguments advanced by members on both sides of the house, and I can assure hon. members that it was not an easy decision to reach because the arguments submitted by the hon. member for Peace River and the hon. member for Qu'Appelle (Mr. Hamilton), and, in opposition to these, the suggestions and propositions advanced by members on the treasury benches did not make it easy for the Chair to decide which way to rule.

I should like to bring to the attention of hon. members, as they know, that the rule respecting the introduction of a bill imposing a charge upon public revenues is standing order 61, namely:

> If any motion be made in the house for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned till such further day as the house thinks fit to appoint; and then it shall be referred to a committee of the whole house, before any resolution or vote of the house do pass thereupon.

As pointed out by the hon member for Peace River, standing order 61 must be read in light of section 54 of the British north America Act, 1867. This section is important when considering this question at large. It says:

> It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address, or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose—

—and I underline those words—

> —that has not been first recommended to that house by message of the Governor General in the session in which such vote, resolution, address, or bill is proposed.

Hon. members will note that it is the "purpose" of the resolution that is recommended to the house by His Excellency. When asking His Excellency for his recommendation we refer to the purpose of the proposed legislation in the words of the resolution, and his recommendation is given accordingly. There is no written rule nor any established practice with the force of law determining the form, the extent or the limitations applicable to a resolution preceding a bill. Such being the case resort must be had to the meaning of the words of the rule as we find it in our standing orders.

Ordinarily a bill may be introduced without a resolution. The impelling factor requiring a resolution is a provision of the bill imposing a charge on the revenue, but a charge which is new and distinct. It would therefore seem that the resolution meets the requirement of the rule where it, in precise language, points to the fact that the proposed

bill contains a provision or provisions that may impose a charge on the revenue.

There is no doubt that a resolution preceding a bill is not designed for the purpose of explaining the contents of the bill in any detail but solely for the purpose of giving notice to the house that the government intends to introduce a measure which involves a tax on the people or a charge on public funds.

Some hon. members have argued that the establishment of the new department of forestry and rural development implies a charge on the treasury. In opposition to this view other members have argued that there is no such charge. It should be stressed that the relevant consideration here is that there should be, to necessitate a prior resolution, a new and distinct charge.

I should like to refer hon. members to May's Parliamentary Practice, seventeenth edition, page 780. At that page, under the heading "Tests to determine whether expenditure involves a 'charge' ", the author says:

A charge must be new and distinct. The question often arises whether a proposal for expenditure or for increased expenditure is not already covered by some general authorization. The test for determining this question in the case of a substantive proposal, i.e., a provision in a bill, as introduced, is a comparison with existing law.

In this instance, in so far as the Department of Forestry is concerned, I cannot convince myself that there is a new and distinct charge separate from what is already authorized by existing legislation. However, even if this interpretation of the new measure were too limited, even if it were erroneous, I believe that the resolution in its general terms covers the whole general subject of the reorganization of departments of government. In other words, there is a resolution pointing to the purpose of the bill before the house.

For these reasons, I suggest to hon. members that the resolution introduced by the right hon. Prime Minister (Mr. Pearson) before first reading of this bill satisfies the requirements of the standing orders and of section 54 of the British North America Act.

In the course of his arguments the hon. member for Peace River suggested that extreme caution should be exercised in this matter since the validity of this statute as passed by parliament might be questioned later on in the courts on the ground that the required procedure has not been followed. He suggests, in other words, that the inadequacy of the resolution might invalidate the statute.

May I quote the case of the King *v.* Irwin as reported in 1926, Vol. 25, Exchequer Court Reports, page 127, at page 128. The headnote is to the following effect:

Held, that when a statute appears on its face to have been duly passed by a competent legislature, the courts must assume that all things have been rightly done in respect of its passage, and cannot entertain any argument that there is a defect of parliamentary procedure lying behind the act.

I thought I should bring this case to the attention of the house, because not only the hon. member for Peace River but I believe other hon. members have referred to the fact that there might be some difficulty later on if a procedural mistake was made in the consideration of this bill.

For all these reasons, and with great respect, I cannot accept the point of order raised by the hon. member for Peace River.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I want to make a few brief remarks on this bill. As I have said before, as a pragmatic socialist I think all of us would agree that there is need for a reorganization of the departments of the government. I think that opinion has been expressed by members on all sides of the house during this debate. I personally have not sufficient information or enough knowledge of all the subjects to say whether the organization proposed by the government is the correct one or is not. I suppose this again can only be proven as the result of experience. If this reorganization does not prove satisfactory, so long as this parliament retains control of the government of this country amendments can be made to this proposed reorganization.

However, I wish to say that I cannot agree with the argument that we can adopt the practice that is customary in Great Britain, which has an inner cabinet and an outer cabinet, or an inner cabinet and ministers. They work under different circumstances there. The country is very much smaller than ours; it has unitary government, with a completely different set of circumstances from those facing this parliament when it comes to the passage of laws and their administration.

Personally I am one of those who care little for humbug, and I run into it a lot nowadays. We all know humbug exists, whether governments admit it or not, whether the present government admits it or whether the former government admitted it. I am not objecting to the number of cabinet ministers, but they have a different function in this country.

• (9:50 p.m.)

We all know that cabinet ministers have to be appointed in a democratic country so that all provinces are represented in the cabinet. Consideration has to be given to other interests, other religions and to other factors in this country. Whether we say so or not, we know that is the way cabinets are appointed in this country, and rightly so in a democracy, where consideration has to be given to the people's opinions, the people's prejudices and the people's wishes.

Mr. McIntosh: May I ask the hon. member a question? May I ask what cabinet minister from Saskatchewan was appointed?

Mr. Herridge: Mr. Speaker, I adopt what you have said on other occasions. That is a theoretical and argumentative question. But I think we can face the fact that a cabinet is appointed in Canada bearing all those factors in mind. No matter whether Liberals or Conservatives form the government, they adopt the same principles in appointing the cabinet in this country. Were we to form a government we should do the same if we were going to reflect the wishes of the people in the provinces, and all their interests.

I do suggest, with the increased, shall I say, complications of government, that ministers should have more opportunity to travel in the country, not just to deal with policy but to study questions of policy, and to consult with their senior civil servants on these questions. In that respect, Mr. Speaker, I think that the government should give some consideration to the training of parliamentary secretaries, so that parliamentary secretaries might at least remove some of the administrative burden now carried by ministers. That sort of thing could be done if there were a determined attempt on the part of the government to build what in effect would be a system of junior ministers, in the form of parliamentary secretaries, who would be paid for their responsibilities, who could be given extra training and extra work in order to relieve the ministers, shall I say, of quite a lot of the burden of day to day administration.

I think all hon. members of the house will agree with me that it is the responsibility of this government to govern in Canada. In connection with that I should like to quote a question that I asked the Secretary of State for External Affairs on orders of the day. Unfortunately, Mr. Speaker, at that time you cut my political cords. I asked this question: "In view of the fact that Arnold C. Smith, who is Secretary General of the Commonwealth Secretariat is reported in the Toronto *Globe and Mail* on Monday, May 23, as saying in a speech delivered at Queen's University Convocation that: 'Governing, is more and more rooted in the expert adviser, rather than in the politician'"—I will not finish the question, Mr. Speaker. You know, Mr. Speaker, I was honestly taken aback when I read that. This is something that must be fought against in this country. When we admit that the government of this country is rooted in paid civil servants rather than in the Parliament of Canada, we are marching toward an authoritarian form of government.

I have had a little experience in life. I have always been in the habit of dividing people into two groups, the producers, and the other group which chooses to live on other people's human weaknesses and ignorance. I have found, as a result of experience in a good many organizations, that I would rather trust the wisdom and common sense of the average man when any particular question is brought to his attention, no matter whether this is on the municipal, provincial or federal level, than I would the sort of narrow wisdom of experts. Their wisdom is narrow because they are trained in a very narrow and particular field.

In concluding my few remarks, I want to emphasize that whatever we do, whatever our views are in this house—and I think it is only right that those views that are held conscientiously should be respected—we must maintain that this parliament govern Canada, and that the roots of government are not more and more to be found in the senior civil service of this country.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, like all other hon. members I would like to make my contribution and say what I think about the present organization and the various departments concerned.

We have before us Bill C-178, an Act respecting the organization of the government of Canada and matters related or incidental thereto. It says:

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts—

And there follows a series of clauses in which the various functions of various departments, which would operate satisfactorily if the economy were better organized, are

more clearly enunciated. Since the economy does not favour them, those departments do not serve their purpose. To do that, Mr. Speaker, and to do it well, what goes well must be left alone and what goes wrong must be corrected. Everything that goes well in those various departments must be left alone and everything that goes wrong must be corrected.

There are many departments where things are not going well. They are going badly in the Department of Justice, the Department of Finance, the Department of National Health and Welfare and in all departments more or less.

To remedy the situation, to improve it, departments and responsibilities are increased, and the officials of those departments are asked to become farmers, workers, financiers, administrators of private property. That is not the way to solve the problem.

Departments must be in a position to operate and set up the necessary regulations and citizens must be able to live and comply with them. When the citizens cannot abide by those regulations, instead of trying to cope with unsatisfactory economic conditions, the departments are asked to become distributors, buyers, economists in every field.

Mr. Speaker, may I call it ten o'clock?

[*English*]

Mr. Speaker: Order, please. Do hon. members wish to call it ten o'clock?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Bell (Carleton): Would the house leader indicate the business for tomorrow?

Mr. Benson: May I have the indulgence of the house, Mr. Speaker. Tomorrow we intend to proceed with second reading of this bill, and with the committee stage of the bill. Assuming that we have finished all that tomorrow, we shall proceed with the collective bargaining bill and then to the public service employment act; then to the amendments to the Financial Administration Act. If we finish all that we would proceed with debate on the resolution preceding the omnibus bill to amend the various pension plans in the civil service.

Mr. Bell (Carleton): What about Thursday?

Mr. Benson: If we finish all this tomorrow we would hope to find some other business for Thursday.

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*Translation*]

TORONTO—MONTREAL—DESTINATION OF BUTTER STORED IN SHED

Mr. Gérard Laprise (Chapleau): Mr. Speaker, the question I should like to raise tonight stems from an article in a well-known farm paper *La Terre de Chez Nous*. Indeed, the following article which was published on May 11 last goes with comments.

> Fire recently razed some sheds in Montreal harbour. According to an unofficial but most reliable source, one of the sheds contained approximately 3,000 tons of butter imported from Denmark a few days previously, that is 6,000,000 pounds. Yet, no one had heard anything about it before, even though butter imports have been mentioned often enough during the past few months.
>
> The authorities have the duty to supply exact and up-to-date information in that connection. It would be utterly intolerable if a game of hide and seek were to be played in such cases. Yes or no, has the recent fire in Montreal Harbour destroyed 3,000 tons of Danish butter? Apart from those 3,000 tons, what was the total quantity of butter imported in the past few weeks? How much is it proposed to import in the forthcoming months?
>
> Are more fires of that kind required to lift the veil of secrecy on recent imports of eggs, which are purported to be the cause of a grave uneasiness on the Quebec market?
>
> And how can one determine the dire consequences of certain large scale purchases of eggs from other provinces, which are purported to have been made very recently, always in order to bring down the price of eggs in the province of Quebec?
>
> The hide-and-seek tactics of some dealers in such areas cannot be tolerated. Government authorities have at least the duty to make such information public as it is uncovered. If Quebec products are to be competed against and their prices brought down, by bringing in products from the outside, the responsible parties should be at least decent enough and courageous enough to make it known.
>
> Things should not come to the point where the only way to find out the truth is through fire . . . in such case, some people are sure to be really burned up.

In view of the fact that this news item about 6,000,000 pounds of butter from Denmark has not been denied, I have tried to find out from the minister what was the destination of that imported butter.

That news worried me because I know that dairy producers have to agitate and fight against incomes that are much too low.

I know that for the last year or two, butter consumption in Canada has exceeded production, about 23 million in 1965, but that does

not mean that we cannot produce all the butter we can eat.

I believe, as *La Terre de Chez Nous*, that dairy producers should be informed of imports and exports of agricultural products.

The government tells us it wants to find a way of raising the income of dairy producers, but if it opens the door to butter imports Canadian producers may suffer.

Therefore, Mr. Speaker, I ask the minister or his representative what was the destination of that butter imported from Denmark; how much was imported; does the government intend to import more.

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, on behalf of the Minister of Trade and Commerce (Mr. Winters), I should like to give the following explanation. I am sorry I cannot answer all parts of the question put by the hon. member for Chapleau (Mr. Laprise).

The 6,000,000 pounds of butter—I am told that is the figure—which melted in the harbour of Montreal fire were part of a series of imports authorized over the past nine months by the Department of Trade and Commerce, under the Export and Import Permits Act and with the consent of the Department of Agriculture.

That butter is imported for processing on the spot and immediate or nearly immediate reshipment.

In the case of the six millions pounds of butter in question, they were supposed to be reshipped for June 18, 1966.

Why those imports? Well, it seems that their purpose is not to compete with local industries, but on the contrary, to help the local factories specialized in butter processing.

Because of the situation mentioned by the hon. member it happens that certain processing plants are not sufficiently busy at the present time. That butter is imported to give them work, and the butter is then reshipped.

In the circumstances, three plants in the province of Quebec and one in the province of Ontario are involved. Among the three Quebec plants, there is the co-operative of Granby, the most important.

Where did that butter come from? From Europe. The hon. member mentioned Denmark. I am told also that some of it came from the Netherlands.

Where was it to be exported? To the United States and South America.

[Mr. Laprise.]

I hope this answers most of the questions raised by the hon. member.

[*English*]

CANADIAN BROADCASTING CORPORATION—DISMISSAL OF PRODUCER OF COLUMBIA RIVER FILM

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on May 19 I asked the following question:

> I wish to direct a question to the minister who will be acting for the Secretary of State today. In view of the fact that Mr. Tom Conochie, producer of the very interesting Columbia river television film for the C.B.C., has been informed that he will no longer be producer of this film, and in view of the fact that residents of British Columbia consider this a magnificent film and some say that Mr. Tom Conochie can show the Ottawa bunch a thing or two about how to film a river story—

And so on. In view of the circumstances surrounding this further unfortunate incident concerning producers employed by the C.B.C., and in view of my information with regard to the possibility of the cancellation of Wing Commander Tom Conochie's contract, which information has come from persons inside the C.B.C. in Vancouver but not from Mr. Tom Conochie himself, I am concerned about the completion of the work this producer has been doing in British Columbia.

He has had a great deal of experience. He was in charge of this type of work for the present government during the second world war and, since being a producer for the C.B.C., has produced a number of excellent films which have been recognized not only in Canada but also in other countries. Quite recently he undertook to make a film called "Columbia River and Tributaries of Power". This was a 60 minute film documentary of one of the great rivers of the world. It has been shown in British Columbia, but to date has not been shown in Ottawa.

Mr. Pepin: I have seen it.

Mr. Herridge: The minister says he has seen it. I hope that other members of this house will have the opportunity to see it, because it does present a very beautiful part of the district and records a very excellent story in respect of developments in that area at this time.

I hope the minister will use his influence with the Secretary of State to see that members of the house have an opportunity to see this most interesting documentary film. I might say, Mr. Speaker, that this man was well liked by all the people in the Kootenay area. Not only is he a good producer, but also

he is bilingual and an artist in several respects. He has a certain common touch which makes him at home with the type of people with whom he is in contact. People are very concerned that this producer's contract may be cancelled and that he will not have an opportunity to conclude his work. Apparently this is quite fairly well known in British Columbia and particularly in the Kootenays.

I am rising this evening to bring the matter to the attention of the parliamentary secretary and ask him to bring it to the attention of the minister, so that he will have an opportunity to obtain the facts and see what can be done to retain the services of this first rate producer who has served the C.B.C. for quite a long period.

• (10:10 p.m.)

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State : Mr. Speaker, no member who knows well the hon. member for Kootenay West (Mr. Herridge) is surprised at his interest in this film on the Columbia and, consequently, we are putting ourselves in the present atmosphere created by what we are agreed to call the "Seven Days" affair, the not less marked interest in the lot of the producer of this film on the Columbia, Mr. Tom Conochie. That is why it seemed unavoidable, under these circumstances, that the case of Mr. Conochie be not raised.

Being most sensitive to anything dealing with the Columbia river, those who followed the vicissitudes of the signing of the Columbia river treaty, will recall the numerous interventions of the hon member for Kootenay West. It was the intention of the hon. member to intervene as a result of what he calls the firing of the producer of the film on the Columbia river. In this case, as in others of the same kind, it is well to point out, in my opinion, that C.B.C. producers are employed on a contract basis and work regularly under contract with the corporation. In the case of Mr. Conochie, his contract was for 12 months and expired in January, 1966. On that date, that is in January, 1966, the C.B.C. which had signed with this producer a contract containing clauses stipulating that the corporation could, with or without reason, renew or not renew a contract, decided that Mr. Tom Conochie's contract expiring in January was not to be renewed. However, another contract was offered to him, but for a shorter term, that is 14 weeks, and Mr. Conochie turned it down. From January to May 14, 1966, Mr. Conochie worked for the C.B.C. as a producer on a monthly basis.

What has more interest for the hon. member for Kootenay West is the showing of the film on the Columbia river. In July, 1965, the producer, Mr. Conochie, was asked to produce black and white and colour films on the Columbia river for March 1, 1966.

Now, on March 1, 1966, the work was not completed. It is perhaps one of the reasons why the contract was not renewed.

In reply to the question which seems to interest the hon. member for Kootenay West, namely, if the film produced by Mr. Conochie, which he saw himself could be shown to members of this house, I must tell him, after inquiring from the C.B.C., that corporation authorities are making every possible effort to enable members of this house to take advantage of the fine work done by Mr. Tom Conochie in this very interesting film on the Columbia river and which is of great interest to the hon. member for Kootenay West.

Motion agreed to and the house adjourned at 10.16 p.m.

HOUSE OF COMMONS

Wednesday, May 25, 1966

The house met at 2.30 p.m.

HOUSE OF COMMONS

TABLING OF MINUTES OF MEETING OF INTERNAL ECONOMY COMMISSION

Mr. Speaker: Order. May I ask leave to lay before the house an extract from the minutes of a meeting of the commissioners of internal economy held on April 28, 1966, relating to salary revisions, reclassifications and other changes affecting a number of positions on the establishment of the House of Commons.

JUSTICE AND LEGAL AFFAIRS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. A. J. P. Cameron (High Park) moved that the second report of the standing committee on justice and legal affairs, presented to the house on Thursday, May 19, be concurred in.

[*Translation*]

Mr. Grégoire: On division.

[*English*]

Motion agreed to on division.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NEGOTIATIONS FOR PURCHASE OF FRENCH AIRCRAFT

Question No. 395—**Mr. Brewin:**

1. Has the Royal Canadian Air Force agreed to purchase or is it negotiating for or contemplating the purchase of aircraft produced by Dussault, known as Mystere or Fanjet Falcon?

2. What is the price or contemplated price of each aircraft?

3. How many have been purchased or is it contemplated will be purchased?

4. What are the contemplated uses or types of use of such aircraft?

5. Do they include the transportation of cabinet ministers or other distinguished individuals?

6. Has the government contemplated the purchase of other aircraft for this purpose, including (a) the D.H. 125 or the H.S. 125 or (b) the Learjet aircraft?

7. What are the respective advantages or disadvantages in terms of speed, accommodation, economy of operation or otherwise of the three types of aircraft namely (a) Mystere (b) D.H. 125 (c) Learjet?

8. Has the government given consideration to the possibility that the needs to be met by the Fanjet Falcons might be adequately in whole or in part met by purchasing either the D.H. 125 or the Learjet at a lesser expenditure, with lower operating costs and substantial savings to the taxpayer?

Hon. Paul Hellyer (Minister of National Defence): 1. Yes.

2. Approximately $1,353,000 each.

3. Seven.

4. and 5. The Canadian forces have a service requirement for an aircraft capable of providing faster and more economical transportation, to replace Cosmopolitan and Dakota aircraft being withdrawn from service. It is not being acquired for use by cabinet ministers or other distinguished individuals.

6. Yes.

7. and 8. The general performance of the aircraft evaluated is similar. However, the lower operating and maintenance costs of the Falcon with savings in manpower especially aircrew, is advantageous and the capabilities of the Falcon more closely meet the Canadian forces' requirements.

COMMISSION TO RECOMMEND JUDICIAL APPOINTMENTS

Question No. 556—**Mr. Faulkner:**

1. Has the government considered the question of appointing a commission, composed of members of the legal profession and others, to make recommendations to the Minister of Justice respecting appointments of judges to the superior district and county courts of Canada?

2. If so, what decision has been reached in this regard?

Hon. Lucien Cardin (Minister of Justice): 1. Yes.

2. The government has decided not to make any changes for the present in the methods or procedures for the appointment of judges.

Questions

SUMMER EMPLOYMENT, AGRICULTURE DEPARTMENT

Question No. 858—**Mr. Caron:**

1. How many extra employees were hired for summer positions by the Department of Agriculture (a) at the head office (b) in other offices in Ottawa and Hull, during the summer of 1965?

2. Who recommended these employees?

3. Do they have relatives—father, mother, brothers, sisters, uncles and aunts—who work for the department?

Hon. J. J. Greene (Minister of Agriculture): 1. (a) 20; (b) 173.

2. The Civil Service Commission, the National Employment Service, members of parliament and other individuals.

3. No records are maintained which indicate the specific relationship of extra employees hired for summer employment.

CARVINGS IN HOUSES OF PARLIAMENT

Question No. 980—**Mr. Enns:**

1. Is a pamphlet about the carvings in the Houses of Parliament under preparation for distribution during the centennial year?

2. Will the various carvings in these buildings be described in such a publication?

3. Will future carvings be defined in this pamphlet?

4. By what method are the many themes and subjects of sculpture decided?

5. What are the guide lines determining such themes and subjects?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Public Printing and Stationery and the National Film Board as follows:

1. There is no book or pamphlet under preparation primarily concerned with the carvings in the houses of parliament. However, there is a prestige book entitled "Canada's Parliament Buildings" in preparation jointly by the National Film Board and the Department of Public Printing and Stationery. It will contain some reproductions of photographs of carvings.

2. This publication will illustrate the seat of the government of Canada. The character of the book will be to highlight the character of the parliament buildings through its architecture. It will contain numerous photographs illustrating heraldic motifs and significant architectural details.

3. No.

4. The selection of photographs to be reproduced has not yet been made, it will be done on the basis of the historical and architectural aspects of the buildings.

5. See answer to question 4 above.

[Mr. Cardin.]

*TELEVISION APPEARANCE OF VICTOR SPENCER

Question No. 998—**Mr. McCleave:**

Was Victor Spencer paid for his appearance on "This Hour Has Seven Days" Sunday night, March 6 and, if so, in what amount?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am informed by the Canadian Broadcasting Corporation as follows:

The C.B.C. purchased the television rights to the interview with Victor Spencer from Jack Webster Productions Limited of Vancouver. Any fee paid Mr. Spencer for the interview would have been negotiated by Mr. Webster and the corporation has no official knowledge of any such transaction.

C.B.C. INTERVIEW WITH GERDA MUNSINGER

Question No. 1,080—**Mr. Allard:**

1. How much did the C.B.C. spend in order to obtain and produce a filmed interview in Munich with Mrs. Gerda Munsinger?

2. What was the amount of additional and special costs, either in salaries or travel expenses, that the C.B.C. paid to its regular or special employees, in order to reach this person and to interview her?

3. For what purpose was it decided to authorize these expenditures?

[*Translation*]

Hon. Judy V. LaMarsh (Secretary of State): 1. $5,000 was paid to Mrs. Munsinger's agent and $3,000 was paid to the Toronto *Daily Star*. The C.B.C. recovered $2,000 through sale of the program material to the N.B.C. network in the United States.

2. The combined cost for transportation, staff expenses, etc., for coverage in Germany was $3,050 for providing coverage on four networks, English and French, radio and television.

3. This had become a news story of the first importance, and a primary consideration was the Canadian people's right and need to be informed in the most direct way possible.

[*English*]

FURNITURE PROJECT, CAPE CROKER INDIAN RESERVE

Question No. 1,115—**Mr. Loney:**

What is the cost to date expended on the Indian experimental furniture making project at Cape Croker Indian reserve?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Citizenship and Immigration and Northern Affairs and National Resources as follows:

The Department of Citizenship and Immigration's total cost to date is $45,667.86.

Subject to final audit in the Department of Northern Affairs and National Resources expenditures totalling $85,077.25 have been made on the project to March 31, 1966. This includes expenditures from a revolving fund loan, Indian affairs branch appropriations, and shared cost expenditures under the Canadian Vocational Training Act.

*C.B.C. RECORD MAKING FACILITIES

Question No. 1,118—**Mr. Macaluso:**

1. Has the Canadian Broadcasting Corporation record-making facilities available?

2. If so, could they be made available to the R.C.M.P. band in order to produce records of its performance at Expo '67 as a cultural project?

3. If not, why can such facilities not be made available for such a project?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): The answer is as follows:

1. The C.B.C. has recording facilities, but not record making facilities in the commercial sense.

2. The corporation's facilities in Montreal could be made available for purposes of recording a broadcast performance by the Royal Canadian Mounted Police band with co-operation of the musicians' union. Reproduction of a broadcast recording for commercial distribution would require co-operation between the musicians' union and a recording company. An agreement between the union and an interested recording company would also be required in the case of a performance not primarily intended for broadcast, in which case C.B.C. participation would not be necessary.

*RECORDING OF R.C.M.P. BAND AT EXPO '67

Question No. 1,139—**Mr. Macaluso:**

Will the Secretary of State approach the C.B.C. and the centennial commission to make recording facilities available to record the R.C.M.P. band at Expo '67 as a cultural contribution to Canada's centennial year?

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

C.B.C. FEE TO GERDA MUNSINGER

Question No. 1,158—**Mr. Grégoire:**

1. What fee did Gerda Munsinger receive from the C.B.C. when she appeared on television recently?

2. How many people—artists, comedians, commentators, authors, professors, politicians, visitors, specialists, scholars, or other persons—have received more than $5,000 for a half-hour program on the networks of the C.B.C. during the last five years?

3. Who were these people and for what programs did they receive this amount?

[*Translation*]

Hon. Judy V. LaMarsh (Secretary of State):

1. $5,000 was paid to Mrs. Munsinger's agent.

2. None.

3. N/A.

[*English*]

COST OF ANSWERING QUESTIONS ON ORDER PAPER

Question No. 1,167—**Mr. Reid:**

1. What is the average estimated cost of answering a question on the Order Paper?

2. How many people, on the average, are employed in research involved in answering these questions?

Hon. Judy V. LaMarsh (Secretary of State): 1. and 2. Questions on the order paper may generally be placed in various categories depending on whether: (a) information is required from one government department or agency, or (b) information is required from more than one government department or agency, or (c) information is required from all government departments and agencies, or (d) information is required from a crown corporation, or (e) information is required from more than one government department or agency and a crown corporation, or (f) information is required from all government departments, agencies and crown corporations.

In the circumstances, it is not possible to estimate the average cost of answering a question on the order paper or to determine on the average, how many people are employed in research involved in answering these questions. This varies considerably with each question. All departments have an official assigned to deal with parliamentary inquiries and to direct the subject matter of the question to the appropriate division or divisions of the department and/or the crown corporation. In most cases, this is not their only function. On the other hand, answering some questions

may involve a large number of people representing many man days of labour. Furthermore, in many cases the information requested is not available at the departmental headquarters in Ottawa and it is necessary to dispatch the request to a regional office or centre in any one or all of the ten provinces, or even to a departmental office located outside of Canada.

Because of these factors, it is virtually impossible to provide any meaningful or accurate statistics as to "average" costs or persons involved.

EXTENSION OF TELEVISION SERVICE, CAPE BRETON ISLAND

Question No. 1,231—**Mr. Muir (Cape Breton North and Victoria):**

1. Does the government plan to provide adequate television service to the communities of Pleasant Bay, Red River, Capstick, Bay St. Lawrence, St. Margaret's Village, Dingwall, North Harbour, South Harbour, Sunrise, Big Intervale, Cape North, Aspy Bay, Sugar Loaf, White Point, Smelt Brook and Bay Road Valley in northern Cape Breton island, N.S.?

2. Has the government, through any of its ministers, received representation in this regard and, if so (a) what reply was given (b) what action, if any, is contemplated?

Hon. Judy V. LaMarsh (Secretary of State): 1. I am informed by the C.B.C. that the corporation has no immediate plans for a television installation in northern Cape Breton island due to the small population and relatively high cost per capita. However, this and other areas without adequate service will warrant further study after new 1966 census data become available.

2. As far as the Secretary of State is concerned, a letter was received (dated October 31, 1964), from Mr. Walter C. Moore, Red River post office, Inverness county, N.S., regarding television service in the community of Pleasant Bay. The executive assistant, corporate affairs, Canadian Broadcasting Corporation, wrote directly to Mr. Moore on November 25, 1964, as follows:

> We are attempting to extend the service as funds and facilities for the purpose are available, by dealing first with those areas where the per capita cost involved enables us to benefit the largest number of people at the lowest cost. In that way the corporation is expending the public funds involved in an economical way.

[Miss LaMarsh.]

[*Translation*]

*APPEARANCE OF MYSTERIOUS FLYING OBJECTS

Question No. 1,258—**Mr. Allard:**

1. Has the government investigated, or does it intend to investigate, the alleged appearance of unusual objects, commonly called flying saucers, in the sky over Toronto, Montreal and elsewhere in Canada?

2. Does the government intend to ask other countries whether they produce such objects and allow them to fly over Canada?

3. Has the government any information on such objects?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. The reports concerning the appearance of mysterious flying objects in the sky have been looked into by the Department of National Defence. All such information received during recent weeks indicates that the objects were: (a) Meteorites; (b) Satellites; (c) Airplanes; (d) Reflection of light, flame, etc. on low clouds.

2. No.

3. No.

[*English*]

INCOME TAX DEADLINE ADVERTISING

Question No. 1,320—**Mr. Knowles:**

1. How much was spent (a) in 1964 (b) in 1965 (c) in 1966, advertising April 30 as the deadline for filing personal income tax returns?

2. What forms or methods of advertising were used for this purpose and how much was spent on each?

3. Has any assessment been obtained on the value of such advertising?

Hon. E. J. Benson (Minister of National Revenue): 1. (a) In 1964, nil; (b) In 1965, $19,218; (c) In 1966, $28,930.50.

2. (a) In 1964, n/a; (b) In 1965, daily newspaper advertising, $19,218; (c) In 1966, newspaper advertising, $18,629.50; Radio commercials, $10,301.00; Total: $28,930.50.

3. Yes.

HOLIDAY ON FEAST OF YOM KIPPUR

Question No. 1,321—**Mr. Thompson:**

Has consideration been given to including the feast of Yom Kippur in the days that have been declared official holidays for the civil service throughout Canada, pursuant to section 62 of the Civil Service Act, or in the days on which reasonable latitude is authorized for civil servants in hours of attendance, pursuant to paragraph (d) of section 62 of the Civil Service Act?

Hon. Judy V. LaMarsh (Secretary of State): I have been given the following information by the Civil Service Commission:

In so far as the commission is concerned, the answer to both parts of the question is no. However, it is pointed out that (a) the holidays mentioned in section 62 of the Civil Service Act were authorized by parliament; (b) Time off on religious holidays was authorized by the cabinet.

R.C.A.F. NAVIGATORS AND RADIO OPERATORS

Question No. 1,322—**Mr. Enns:**

1. How many navigators and radio officers are there in the R.C.A.F.?

2. What does it cost to fully train a navigator and a radio officer in 1966?

3. Have any navigators and radio officers resigned since February 1, 1966 and, if so, how many?

4. Have any more navigators and radio officers indicated their intention to resign in 1966 and, if so, how many?

Hon. Paul Hellyer (Minister of National Defence): 1. 1,497.

2. To wings standard—navigator, approximately $78,000—radio officer, approximately $64,000.

3. Yes, nine.

4. Yes, 70 have stated they may wish to resign in 1966 but only nine since 1 April, 1966, have actually requested their release.

CF-104 AIRCRAFT

Question No. 1,324—**Mr. Allard:**

1. Have any CF-104 Starfighter aircraft crashed since their acquisition by Canada and, if so (a) how many (b) does the government intend to investigate the causes of the crashing of such aircraft (c) will the government publish a report or statement about such crashes?

2. How many CF-104 aircraft does Canada still have?

3. What was the cost of production or purchase of each aircraft of this type?

4. To date, how many of them has Canada produced or purchased?

5. Will Canada produce or purchase any more?

6. Where are such aircraft stationed at the present time?

7. Since such aircraft were acquired, have they been substantially altered?

Hon. Paul Hellyer (Minister of National Defence): 1. Yes. (a) 35; (b) all aircraft crashes are investigated; (c) a statement is made as soon as possible after each crash giving the circumstances in so far as they are known.

2. 166 CF104, 37 CF104D.

3. The average flyaway cost of CF104's was approximately $1,055,000 and CF104D's $1,200,000.

4. 200 CF104's were produced in Canada for the R.C.A.F. and 140 CF104G's for a joint Canada/United States mutual aid program; 38 CF104D's were purchased from the Lockheed Aircraft Company for the R.C.A.F.

5. No.

6. Cold Lake, Alberta; France and Germany.

7. No, several modifications to improve engine reliability and ejection seat performance have been incorporated but the aircraft performance has not been altered substantially. In addition a major modification to the navigational system was made to improve aircraft operational capability.

UNIDENTIFIED FLYING OBJECTS—REPORTS TO R.C.A.F.

Question No. 1,343—**Mr. Howe (Hamilton South):**

1. Does the R.C.A.F. accept reports of unidentified flying objects and, if so, are these (a) investigated by Canadian authorities (b) reported to United States authorities?

2. Does the United States conduct investigations into the R.C.A.F. reports and, if so, are the results of such studies made available to Canadian authorities?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. Yes; (a) Yes; (b) Yes, if circumstances warrant the onward transmission of such information.

2. Yes, if circumstances warrant investigation. The results are made available to Canadian authorities.

EMIGRATION OF PRINTERS FROM HONG KONG

Question No. 1,367—**Mr. Dinsdale:**

Has the Department of Citizenship and Immigration received any requests to permit printers to emigrate from Hong Kong to Canada and, if so (a) what is the source of these requests (b) has approval been given to them and, if not, for what reason?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): Yes, requests have been received from (a) the publisher of the Shing Wah *Daily News*, Toronto, and the president of the Sun Publishing Company Limited, Edmonton. (b) The immigrant applied for by the Shing Wah *Daily News* was refused when an independent trade testing board established that he possessed no practical knowledge of the work at which he was to be employed in Canada. The president of the Sun Publishing Company made a general request for workers

from abroad and this is being discussed with him by immigration officials. He also submitted a request for two specific workers from Hong Kong. One of these persons has not yet appeared for an interview and the other has asked the Hong Kong immigration office to defer action on his application.

POST OFFICE, MACCAN, N.S.

Question No. 1,411—**Mr. Coates:**

1. On what date will the post office at Maccan, Cumberland county, Nova Scotia, be opened to the public?

2. From whom was the site of the Maccan post office purchased, what was the size of the lot and the amount paid?

3. Were any alternate sites considered and, if so, what was the cost of the alternate sites and what was the reason for their not being purchased?

Hon. G. J. McIlraith (Minister of Public Works): 1. The post office was opened on May 24, 1966.

2. The site was expropriated. Two lots were involved: one was owned by Mr. C. Willis Loring, having a frontage of 60 feet by a depth of 116.5 feet; and the other, which included a warehouse building, was owned by Mr. Vaughan N. Hoeg, having a frontage of 75 feet by a depth of 103 feet. Amounts paid were $250 to Mr. Loring and $1,500 to Mr. Hoeg.

3. No alternative sites were considered. This was the only site which had sufficient area to meet the requirements of the provincial government relating to the septic tank, well and drainage field installations.

FOREST ACCESS ROADS, NEW BRUNSWICK

Question No. 1,420—**Mr. Flemming:**

1. Has the federal participation in the cost of building access forest roads in the province of New Brunswick been approved for the current fiscal year?

2. If so, what is the total estimated expenditure under this heading?

3. What are the approximate details of routing to be followed?

Hon. Maurice Sauvé (Minister of Forestry): 1. Yes.

2. $105,000.

3. Project 16, to McKendrick Fire Tower, from road between Plaster Rock and Renous. Project 21, Holtville,—to join Plaster Rock—Renous Road to Highway #8 near Boisetown. Project 22,—to extend road running northeast from Chipman toward Coal Branch Station.

[Mr. Munro.]

Project 35, Day Brook,—to extend road from Dungarvon River north toward Plaster Rock —Renous Road. Project 55, Canaan Reserve, —to extend road running northeast from Highway #9 near Coles Island. Project 57,— to Sinclair Fire Tower (Southesk, Northumberland County). Project 59, Blue Mountain Tower,—from Highway #11 near Benjamin River southwestward to Blue Mountain Tower.

CANADIAN ARMED FORCES IN VIET NAM

Question No. 1,426—**Mr. Douglas:**

1. Have any members of Canada's armed forces been sent to South Viet Nam since January 1, 1963?

2. If so (a) how many members of Canada's armed forces were involved (b) on what dates did they arrive in South Viet Nam (c) on what dates did they return to Canada (d) what duties did they perform while in South Viet Nam?

3. Were any members of Canada's armed forces attached to any units of the United States armed forces in South Viet Nam since January 1, 1963?

4. If so (a) what function did they serve while serving with the United States armed forces (b) were they equipped with United States uniforms (c) were they paid a bonus by the United States government?

5. As of April 30, 1966, what members of Canada's armed forces were in Viet Nam, and what is their function there?

Hon. Paul Hellyer (Minister of National Defence): 1. Yes, to the international commission for supervision and control.

2. The international commission for supervision and control made up of Canada, India and Poland carries out the terms of the 1954 Geneva agreements. Under the control and direction of the civilian component of the Canadian delegation Saigon, Canadian military personnel are formed into inspection teams with Indian and Polish military personnel. The overall establishment of the military component Canadian delegation Viet Nam was 60 on 1 January, 1963, but was decreased to 52 on 1 November, 1965. Strength was maintained at approximately 90 per cent throughout this period. Canadian military personnel serve an unaccompanied tour of one year except for servicemen employed as security guards who serve six months.

3. No.

4. Not applicable.

5. 45. Their function is as outlined in (2) above.

RURAL MAIL CONTRACTS, MÉGANTIC COUNTY, QUE.

Question No. 1,428—**Mr. Langlois (Mégantic):**

1. In the parishes of Kinnear's Mills, Leeds, and St-Antoine-de-Pontbriand, in Mégantic county, who has knowledge about the names, the tenders and the duration of the contracts for the delivery of rural mail?

2. What are those names, the amounts of such tenders, and the duration of such contracts?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): 1. Post Office Department.

2. Name of Service	Contractor	Annual rate	Expiry date of contract
Leeds Village R.R. No. 1	Jean Marie Lapointe	$1760.00	June 30, 1968
Leeds Village R.R. No. 2	Majorique Bolduc	774.47	June 30, 1968 (renewed for another 4 years)
Leeds Village R.R. No. 3	Armand Guay	1957.14	September 30, 1968
Pontbriand R.R. No. 1	Aurèle Morin	2188.60	September 30, 1968
Pontbriand R.R. No. 2 and Kinnear's Mills R.R. No. 1 (combined)	Robert Prévost	2150.00	March 31, 1970
Pontbriand & Robertsonville	Aurèle Morin	840.00	September 30, 1969

[*English*]

FARM SAFETY

Question No. 1,437—**Mr. Noble:**

1. Has the Minister of Agriculture made contact with the provinces on the matter of farm safety?

2. If so, what was the response from the various provinces?

Hon. J. J. Greene (Minister of Agriculture): 1. This matter has been discussed with representatives of provincial departments.

2. Several provinces already have well developed farm safety programs to which the provincial governments give financial assistance, but indications are they would be prepared to consider using any appropriate promotional material issued by a national organization in conjunction with their own programs.

LAMPREY CONTROL, LAKE HURON AND GEORGIAN BAY

Question No. 1,438—**Mr. Noble:**

1. What progress has been made in controlling lamprey in lake Huron and Georgian bay?

2. What has been done to this date in 1966 on the lamprey problems in lake Huron and Georgian bay?

Hon. H. J. Robichaud (Minister of Fisheries): 1. The majority of the necessary preparatory studies and installations for initiation of lamprey control in lake Huron and Georgian bay have been completed. Eleven streams tributary to lake Huron and Georgian bay will be chemically treated in 1966.

2. Preparatory studies in lake Huron and Georgian bay to date include: an extensive survey program of tributary streams; 13 bioassay and stream water analysis studies; construction of eleven electrical assessment barriers.

MEDICAL TREATMENT OF FOREIGN SAILORS

Question No. 1,443—**Mr. Mongrain:**

Is there an international agreement under which the federal government defrays the medical expenses of foreign sailors who fall ill while in Canada's territorial waters and receive treatment in Canada and, if so (a) has the government appointed doctors to answer calls under this agreement (b) are any doctors authorized to do so in Trois-Rivières and, if so, who are they (c) is there a druggist in Trois-Rivières authorized to receive all these doctors' prescriptions intended for foreign sailors under this agreement?

[*Translation*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): There is no international agreement as referred to in the question, but under Part V of the Canada Shipping Act foreign seamen who fall ill in Canadian territorial waters receive treatment under the conditions therein specified. (a) Yes. (b) Yes, Doctor L. Berlinguet. Others on referral. (c) No, prescriptions may be filled at any pharmacy.

Questions

[*English*]

REGIONAL MANPOWER OFFICE, ATLANTIC PROVINCES

Question No. 1,445—**Mr. Forrestall:**

1. Was it the intention of the government prior to March 1, 1966, to establish the regional manpower office for the Atlantic provinces in Halifax?

2. Was Moncton, New Brunswick, chosen at a later date as an area where part of this service would be located?

3. If so, on what date was Moncton chosen, and on what date was it decided to divide the services of this regional office between Halifax and Moncton?

4. Will the regional offices at Montreal, Toronto, Winnipeg and Vancouver be broken down in a similar manner and, if so, when?

5. What will be the capacity of each office at Halifax and Moncton?

6. Will there be one or two directors and, if one regional director only, where will he be located?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. No. The regional administration of the elements that now make up the Department of Citizenship and Immigration is divided between Halifax and Moncton. Before and after March 1, careful consideration was given to the extent of re-division which would best improve the efficiency of the co-ordinated service.

2. No.

3. On April 20 the consideration referred to in (1) was completed and a decision made.

4. No. In all of the regions except the Atlantic region, existing regional organizations are located entirely in one city and no change is contemplated.

5. The regional office at Halifax will consist of the regional director, immigration and his staff; the director, manpower, for the region and his specialist staff concerned with counselling, training, the manpower consultative service, etc.; administrative staff for personnel and financial management. The regional office at Moncton will consist of the director of operations, manpower, for the region, his assistants and staff specializing in industrial requirements.

6. The director, manpower, and the regional director, immigration, will be at Halifax; the director of operations, manpower, will be at Moncton.

[Mr. MacEachen.]

REPRESENTATIONS TO U.S. RESPECTING COPYRIGHT ACT

Question No. 1,446—**Mr. Knowles:**

1. Has the government of Canada made representations to the government of the United States, at any time since April, 1963, requesting that steps be taken to abolish the manufacturing clause of the United States copyright act or to exempt Canada from its provisions?

2. If so, what has been the results of any such representations?

3. If not, is the matter now under consideration?

Hon. Paul Martin (Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned: 1. Yes.

2. The views of the Canadian government have been made known to the United States authorities. The Canadian government continues to follow this matter closely.

OIL AIR LIFT TO ZAMBIA

Question No. 1,451—**Mr. Monteith:**

1. How many aircraft were involved in the Zambian oil airlift from its inception to its completion?

2. How many servicemen were involved during the same period?

3. What were the out-of-pocket expenses of the Government of Canada for the entire airlift?

4. What was deemed to be the total cost to Canada of the entire operation, including salaries and wages of those involved?

Hon. Paul Hellyer (Minister of National Defence): 1. From inception to 28 February, 1966, four Hercules aircraft were employed in transporting oil products from Leopoldville to Lusaka and Ndola. From 1 March to 30 April, only two were used for this purpose. In addition, one Yukon and one Hercules each made one flight to deploy and redeploy personnel in Leopoldville. One Yukon flight was made early in February to transport Hercules engines to the detachment, and approximately every two weeks throughout the duration of the operation a logistic support flight departed Canada for Leopoldville.

2. 316.

3. Approximately $1,240,000.

4. Approximately $1,426,000.

EUROPEAN TOUR BY WEEKLY NEWSPAPER EDITORS

Question No. 1,452—**Mr. Herridge:**

What cost was incurred by the government of Canada, directly or indirectly, for the two week tour to the headquarters of major international agencies in Europe by 20 editors of the weekly newspapers in Canada during March, 1966?

Hon. Léo Cadieux (Associate Minister of National Defence): In so far as the Department of National Defence is concerned there is no record of 20 editors of the weekly newspapers making a two week tour to the headquarters of major international agencies in Europe during March 1966.

TRIP TO NORAD BY WEEKLY NEWSPAPER EDITORS

Question No. 1,453—**Mr. Herridge:**

What was the total cost to any department of the government of Canada for the transportation, hotel accommodation, meals, and other expenses of the editors of weekly newspapers in Canada to NORAD headquarters in the United States, for briefings on nuclear weapons and other matters during the years 1963 and 1964?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. 1963, $3,115; 1964, $4,700.

POST OFFICE, PARRSBORO, N.S.

Question No. 1,456—**Mr. Coates:**

1. Has the Department of Public Works determined the cost of modernizing the post office at Parrsboro, Nova Scotia and, if so, what is the estimated cost of modernization?

2. Will investigations continue by the department to secure an alternate site for a new federal building at Parrsboro?

Hon. G. J. McIlraith (Minister of Public Works): 1. No. Because of the age, design, size and construction of the present building modernization is not feasible.

2. Yes.

TACONITE PRODUCTION

Question No. 1,466—**Mr. Isabelle:**

1. Where are the principal deposits of taconite in Canada located?

2. What American or Canadian companies operate these mines?

3. Are there any taconite reduction plants in Canada and, if so (a) how many are there (b) who operates them?

4. How many tons of concentrated or pelletized taconite are exported annually and to what countries are they exported?

5. How many tons are used annually by Canadian steel mills?

Mr. Jack Davis (Parliamentary Secretary to Minister of Mines and Technical Surveys): 1. If by the term "taconite" is meant an iron bearing deposit from which the mined material must be finely ground (under 100 mesh) to free the iron mineral then the principal taconite deposits in Canada are in northern Ontario and Quebec.

2. Accepting the above definition there are four taconite mining operations in Canada, three in Ontario and one in Quebec. Two additional ones are being developed in Ontario for production in 1967-68. The three mines in Ontario are owned and operated by American companies; fifty per cent of the Quebec operation is held by a Canadian company; the two Ontario mines being developed are optioned by Canadian companies. Optionees of the deposits being mined are Bethlehem Steel Company, National Steel Company, Jones and Laughlin Steel Corporation (U.S. companies) and the Steel Company of Canada, Limited. The latter company and Dominion Foundries and Steel, Limited (Can. companies) have optioned the two deposits being developed for production.

3. Each of the facilities in (2) above consists of a mine, a concentrator and a pelletizing plant. Therefore, at present there are four taconite pelletizing plants in Canada operated in conjunction with mines and concentrators of the companies in (2) above. In addition, there are six other operations in Canada that ship iron ore pellets from beneficiating-grade iron ore by-product material and others that ship concentrates; none of the deposits from which these pellets and concentrates are produced are termed taconites.

4. Of taconite pellet production by the companies in (2) above in 1965, amounting to 3 million long tons, 2.1 million tons were exported to the United States.

5. Shipments of pellets from taconites in 1965 to Canadian steel mills were 900,000 tons. Small shipments of concentrate are included in this total.

MOSS RESEARCH STATION, MIMINEGASH, P.E.I.

Question No. 1,471—**Mr. MacDonald (Prince):**

Is a research station having to do with the Irish moss industry being built at Miminegash, P.E.I. and, if so (a) when did construction begin on this plant (b) what buildings are involved (c) what tenders were submitted and to whom were the contracts awarded (d) what will be the main functions of this plant (e) when is it expected to be in operation (f) how many men will be employed (g) what kind of training or experience will be needed by these men (h) what local service contracts will be awarded and when will the tenders be called?

Hon. H. J. Robichaud (Minister of Fisheries): Yes: an experimental seaweed processing plant. (a) Contract was let in October 1965. (b) (i) A processing and storage building (ii) a manager's residence. (c) For the

processing and storage building one only tender was received from Schurman Construction Ltd., of Summerside, for $168,500.

Tenders for construction of the residence were as follows: Bryan and Milligan, Howlan, $17,168.00; Campbell Industries Inc., Central Bedeque, $20,450.00; Fitzgerald & Snow Building Contractors Ltd., Summerside, $24,789.75; Princeway Enterprises Ltd., Summerside, $27,995.00; Schurman Construction Ltd., Summerside, $32,200.00.

A contract was awarded to Bryan and Milligan. In both cases, contracts were arranged by the Department of Public Works. (d) To experiment in drying, grinding, classifying and packaging of Irish moss, and to develop more efficient harvesting methods in hope of stimulating growth in the seaweed industry. (e) Plant will be in limited operation this year, and will be fully operational at beginning of harvesting season next year. (f) and (g) A manager and assistant manager will be employed. It is anticipated four seasonal positions will be needed, one incumbent of which should have some supervisory capacity and familiarity in operation of machinery. Others will be trained in duties required. (h) Need for local service contracts not foreseeable; however, local facilities will be availed of where feasible.

SUFFIELD EXPERIMENTAL STATION—USE AS PASTURE

Question No. 1,480—**Mr. Horner (Acadia):**

Has the Department of Agriculture or the P.F.R.A. requested from the department of defence permission to once again use part of the Suffield experimental station as a cattle pasture operated under the P.F.R.A.?

Hon. J. J. Greene (Minister of Agriculture): No.

POST OFFICE, VICTORIAVILLE, QUE.

Question No. 1,492—**Mr. Caouette:**

Does the government intend to build a post office at Victoriaville (Drummond-Arthabaska) and, if so (a) has a building site been bought (b) when will this project be started?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): Yes. (a) No. (b) Tentatively scheduled for 1967-68 fiscal year.

[Mr. Robichaud.]

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

RESEARCH OFFICERS, B AND B COMMISSION

Question No. 1,251—**Mr. Allard:**

1. How many French speaking and English speaking research officers were employed by the Laurendeau-Dunton Commission since September 1, 1965, and what are their names, professions and places of residence?

2. Is there a dispute between the various teams of research officers and between these teams and the commissioners?

3. Are French speaking research officers afforded the same privileges and facilities as others?

4. Who is the director or who are the directors of these research officers?

5. Has a French speaking director or co-director been appointed and, if not, for what reason?

6. Have complaints been made by French speaking research officers either to the commissioners, to the department concerned, or to the press?

7. What are the nature and the grounds of these complaints?

8. What is the intended remedial action to this situation?

Return tabled.

AIRCRAFT FLIGHT FROM OTTAWA, APRIL 24, 1966

Question No. 1,395—**Mr. Hales:**

Did a Department of Transport Viscount CF-TGP depart from Uplands airport, Ottawa, on Sunday, April 24 at approximately 11:45 a.m., E.D.S.T. and, if so (a) what was its destination (b) what were the names of the passengers in this flight (c) in what department of government are they employed (d) what was the purpose or reason for flight (e) when was the flight scheduled to return to Ottawa (f) what is the estimated cost of the return flight?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notices of motions for papers Nos. 129 and 130 are acceptable to the government and the papers concerning notice of motion No. 129 are tabled immediately.

Would Your Honor be kind enough to call notices of motions Nos. 94, 121 and 128?

Mr. Speaker, I ask that other notices of motions be allowed to stand.

HALIFAX, N.S.—DEATH OF WILLIAM SCUDDER

Motion No. 94—**Mr. Douglas:**

That an order of the house do issue for a copy of any report covering the investigation into the death of William Scudder while he was employed on ship refit work on H.M.C.S. *Provider* at Halifax in 1965.

Hon. Léo Cadieux (Associate Minister of National Defence): The hon. member agrees to withdraw the notice of motion.

[*English*]

Mr. Douglas: Mr. Speaker, I would ask permission to withdraw this motion.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

HEARINGS OF ALBERTA ELECTORAL BOUNDARIES COMMISSION

Motion No. 121—**Mr. Woolliams:**

That an order of the house do issue for a copy of all reports, records or documents indicating the places, dates, and times of public hearings held by the electoral boundaries commission for Alberta and the members of the commission and staff attending each hearing; for a copy of the transcript of the proceedings of each hearing; for a return of the record of each hearing if no transcript was made; for the memorandum provided to members of the commission who were absent from any meeting; and for the résumé or other document prepared by the commission or any of its members setting out the reasons for changes made in the electoral boundaries for Alberta.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, with respect to this motion, it has already been explained to the house that the Secretary of State's department is not responsible for any of the hearings which were held by, or for the matters which took place before, the boundaries commissions. I am informed by the chief representation officer that in his opinion there is no way in which the boundaries commissions can be asked to produce such information. In some cases no records of any kind in the form of transcripts and whatnot were kept. It is therefore not within the power of the government to produce for the house the kind of documentation which is requested.

This matter was raised by my hon. friend the hon. member for Edmonton West (Mr. Lambert) while the boundaries question was being discussed in the house, and the position was made clear to him at the time. I am afraid my hon. friend did not agree with me, and I understand that he has asked his hon. friend to place this motion on the order paper. However, the government is not in a position to answer the motion even if the house were to make an order for a return. Therefore under the circumstances I would entreat the hon. member who placed the matter on the order paper to withdraw it.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on the point raised by the Secretary of State may I say, as I indicated some weeks ago when discussing this particular problem, that the order is an order of the house. It is conceivable that there is no responsibility on the government with regard to the matter, but the Secretary of State is the only channel through which the house can direct its wishes in this regard.

I am sure every member of this house agrees that no boundaries redistribution commission of any province has been sent off into orbit beyond recall from this house. Therefore, with the greatest respect to the chief redistribution officer, this house is still the master of these matters. If this house makes an order directing the production of these papers, then the boundaries commission must produce the papers.

Miss LaMarsh: Mr. Speaker, then in order to give an opportunity for all members to express themselves on the point, may I ask that the matter be transferred for debate.

Mr. Woolliams: I rise on a point of order, Mr. Speaker. It may not be quite a point of order, but I would mention to the minister that it may be a little late getting down to debate.

Mr. Speaker: Pursuant to standing order 47 this motion is transferred for debate.

SEAFARERS INTERNATIONAL UNION

Motion No. 128—**Mr. Howard:**

That an order of the house do issue for a copy of any communication exchanged between the maritime trustees, or other organizations and other persons, and the Minister of Labour or any official of the Department of Labour, with respect to the Seafarers International Union.

He said: Mr. Speaker, I had moved this the other day, and I was just not sure of the procedure by which it could be revived. In commenting about this matter perhaps I should refer to last week's *Hansard*, where at page 5267 I am reported to have said in response to a statement by the minister,

which was just prior to the interruption that took place:

Mr. Speaker, in view of the unique reply of the minister as compared to what he has said—

What I said was:

—in view of the unique reply of the minister as compared with what has been said—

In any event, I have considered the matter very carefully, and I think the only solution is to transfer this matter for debate.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, as I think I mentioned last week just before the disturbance to which reference has been made occurred, a very similar motion has already been debated in this house. I wonder if this could not be put to a vote at this time.

Mr. Speaker: There is a request that this be transferred. Pursuant to standing order 47 this motion is transferred for debate.

SHAREHOLDINGS OF CABLE TELEVISION COMPANIES

Motion No. 129—**Mr. Munro:**

That an order of the house do issue for a copy of a return showing the shareholdings of all cable television companies at present licensed by the Department of Transport to operate in Canada.

Motion agreed to.

STUDY BY DYNAME CORPORATION OF TOURIST RESORT AREA

Motion No. 130—**Mr. Keays:**

That an order of the house do issue for a copy of all correspondence exchanged between the Minister of Forestry and Dyname Corporation relating to an economic study and a program of development for a tourist resort area at Mount Logan or Mount Albert.

Motion agreed to.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if I might ask a question with regard to notice of motion for production of papers No. 72, in my name. I have had a private conversation with the Minister of Finance about this motion, but in view of the fact that it has been on the order paper since January 31 I wonder if the minister is now in a position to indicate to the house when the government might be prepared to agree to this motion, and to have the documents tabled.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, when this notice of motion for the production of papers first appeared I asked my department to let me see the papers that would be producible. Some of these papers indicated the table of contents or the proposed contents of the report of the Carter royal commission. I therefore asked the hon. member whether he would not allow this matter to stand until the report of the royal commission has been tabled, at which time I should have no objection whatever to the tabling of the papers.

Mr. Knowles: Could the minister indicate when that might be?

Mr. Sharp: My traditional answer is "soon". I understand it will be in two or three weeks' time.

LABOUR RELATIONS

QUEBEC LONGSHOREMEN'S STRIKE—REQUEST FOR REPORT ON NEGOTIATIONS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Labour and ask him, in view of the report that the proposal put forward by Judge Lippe in the longshoremen's strike in Montreal has been turned down, the strike having occasioned an economic loss of close to $15 million, what steps is the government going to take and how soon will it take those steps to end this dispute?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I think it should be made clear that the suggestion or proposal put forward by the mediator, Judge Lippe, was an interim proposal in the hope that he could get the longshoremen back to work at the beginning of this week. His attempts to accomplish that end have failed. However, the mediator is back in session today with other proposals, which it is hoped will meet with a more favourable response. The other proposal covered an interim settlement only, which would have covered a period of roughly five months, and the unions concerned felt this period was much too short. I believe the parties are now in session, and I am hoping to get a report later today.

Mr. Starr: Since this strike has been prolonged, is the Minister of Labour now getting reports from Judge Lippe at regular intervals as to the progress of the negotiations?

Mr. Nicholson: Yes, Mr. Speaker.

NORTHERN AFFAIRS

INQUIRY AS TO LOAN FOR ARCTIC EXPLORATION WORK

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to address a question to the Minister of Northern Affairs and National Resources. Has he received an application for a loan from a syndicate headed by J. C. Sproule and Associates Limited of Calgary for exploration work in the Canadian Arctic? I wonder whether the minister would be prepared, either now or later, to give the house a statement indicating the amount of money involved and the terms on which such a loan would be made. I am particularly interested in knowing whether the government would acquire some equity interest in the project by way of fixed net royalty should a loan be granted.

Mr. Speaker: Order. I doubt very much that this is a matter of real urgency or that the question should be allowed at this time, although the minister responsible for the matter raised by the hon. member may wish to indicate whether he proposes to make a statement on motions at some later date.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): That is so. We have not yet completed the draft regulations pertaining to this particular exploration grant. When we have done so I expect to make a statement in the house.

Mr. Douglas: Since this would be setting a precedent for other loans in the Canadian Arctic I would appreciate knowing whether the minister contemplates making a statement before the deal is completed or after the loan has been made.

Mr. Laing: I can assure the hon. member it would be before the loan is made.

[*Translation*]

PUBLIC BUILDINGS

HULL, QUE.—INQUIRY AS TO CONSTRUCTION

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Minister of Public Works.

For four years the Minister of Public Works, the present one as well as those who came before him, have always told us that they paid much attention to the city of Hull with regard to the construction of federal public buildings.

Is the Minister of Public Works in a position to tell us today whether or not his department is considering the construction of new federal buildings in the city of Hull?

Mr. Speaker: The question is of a very general nature and is not in order right now.

Mr. Caouette: My question deals with the city of Hull. It is a very precise question; it does not concern Canada in general but only the city of Hull.

[*English*]

EXTERNAL AFFAIRS

UGANDA—INQUIRY AS TO SAFETY OF CANADIANS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is directed to the Secretary of State for External Affairs. It relates to Uganda where the situation has reached the point of civil war. Can the minister reassure us as to the safety of Canadians there, and does he have any further comments to make on the situation?

Hon. Paul Martin (Secretary of State for External Affairs): As the hon. member knows, there has been a serious disturbance in Uganda. The situation there has, however, been fully covered by the news media in this country. I cannot add anything at this stage to what has already been reported. There are some 300 Canadians in Uganda. I have no reason to believe that their safety is in any way prejudiced at the moment as a result of this situation. We are following events closely.

RETIREMENT OF CANADIAN MINISTER TO GREECE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Secretary of State for External Affairs whether Mr. Barrette, the Canadian ambassador in Athens, has been relieved of his post by order of the minister or of the government.

Hon. Paul Martin (Secretary of State for External Affairs): In answer to this question I would say that about a year ago, on June 8 last, Mr. Barrette informed the undersecretary of state for external affairs of his intention to publish a book in which he would describe certain events in which he took part

during his 25 years as member of the legislative assembly, minister and Prime Minister of the province of Quebec. Later he sent his manuscript to the department.

Mr. Barrette was then advised that the publication of his memoirs, which were bound to give rise to controversy, was not compatible with his functions as Canadian ambassador to Greece and would conflict with departmental regulations which prevent any member of the Canadian diplomatic service from publicly expressing an opinion on controversial domestic political questions.

Mr. Barrette replied that he was most anxious to publish the book and consequently, on April 25 last, in all the circumstances he asked to be relieved of his duties. On May 5 I granted his request.

Mr. Churchill: As a supplementary question, do I understand that there are rules and regulations regarding the publication of articles or books by people who are employed as Canadian ambassadors, and do these same rules or regulations apply to ministers of external affairs?

Mr. Martin (Essex East): Mr. Speaker, the last part of the question, of course, is quite academic. There are rules with regard to ambassadors and officers of the Department of External Affairs. Mr. Barrette was aware of these rules and has not questioned them.

[*Translation*]

Mr. Speaker: The hon. member for Charlevoix.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, the minister has answered my question.

[*English*]

HIGHWAY SAFETY

ESTABLISHMENT OF NATIONAL ACCIDENT RESEARCH CENTRE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I would direct this question to the Minister of Industry since he is in charge of research matters for the government. In view of the record slaughter on our highways over the May 24 week end will the government seriously consider the establishment of a national accident research centre, as recommended in a bipartisan brief presented to the right hon. Prime Minister over 10 months ago?

[Mr. Martin (Essex East).]

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, we are giving study to this question.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I would like to direct a question to the Prime Minister. May I ask the right hon. gentleman whether the revision in the Bank Act will be known as the Walter Sharp formula.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I wish to direct a question to the Secretary of State. Can she identify the Mr. Gordon whom Premier Thatcher cautioned the Canadian people about last evening in a national television broadcast?

LABOUR CONDITIONS

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

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, yesterday the Minister of Labour said he would take as notice the question I asked him arising out of the fact that the longshoremen of B.C. have been under harassment by their employers over the matter of the May 23 holiday as provided in the Canada Labour (Standards) Code. I wonder if the minister has an answer for me today.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, on Thursday and Friday of last week the hon. member for Burnaby-Coquitlam inquired concerning a controversy that developed on the west coast with regard to the employment of longshoremen on May 23, Victoria day, which is specified as a general holiday in the Canada Labour (Standards) Code. The complaint arose with regard to the rates of pay which the employees claim are incompatible with the code.

I would reply that I was aware of the controversy because representatives of the international longshoremen's and warehousemen's union had discussed it some time ago in Ottawa with my departmental officials who administer the code. It would appear that so far the union has made only general allegations with regard to alleged violation of the code. Before any interpretation or ruling can be given by the department there would have to be a specific case cited where an employee had not received holiday pay or pay in the proper amount, whether it would be double pay or otherwise.

The hon. member also asked concerning the advisability of an inquiry into this matter under section 35 of the code, and I would say that a formal inquiry would not appear to be necessary at this time. If and when a specific complaint is made it will be dealt with in the usual way and an interpretation and ruling made with respect to the rights of employees under the code.

Coming now to the question asked by the hon. member for Comox-Alberni, which was put as a supplementary question yesterday, it does not appear, on the basis of the information we have, that an amendment to the Canada Labour (Standards) Code is needed.

Mr. T. C. Douglas (Burnaby-Coquitlam): As a supplementary question may I ask the minister whether the Pacific coast dispute was not due to the contention of the employers that the collective bargaining agreement took precedence over the Canada Labour (Standards) Code? Has any ruling been handed down, or is it the minister's intention to have an inquiry into this aspect of the dispute?

Mr. Nicholson: This question was raised by the employers in the Supreme Court of British Columbia before Mr. Justice Ruttan. I have asked for a report as to His Lordship's reasons in the decision he rendered, but I might say I still do not think it will be necessary to hold an inquiry. If the union gives us the facts of a specific case, then in my humble opinion it probably can be dealt with under the act as it stands, but I would like to have Mr. Justice Ruttan's reasons for judgment before making a final statement.

AGRICULTURE

MANITOBA—REPORTED DISEASE IN CATTLE HERDS

On the orders of the day:

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, on Friday last the hon. member for Springfield asked a question regarding an outbreak of disease among cattle herds in Manitoba, to which I replied that I had not received any comunication but would check with the office of the minister.

There was an outbreak in early April of Salmonellosis affecting some 20 herds. This is not a named or reportable disease under the Animal Contagious Diseases Act and regulations. The outbreak was dealt with by the provincial authorities assisted by officials of the health of animals division of the Canadian Department of Agriculture, in their investigations. I am advised that there have been no further cases reported since that time, but our officials are continuing to co-operate with the provincial authorities in further investigation of the cause.

[*Translation*]

WINTER WORKS

QUEBEC—REQUEST FOR STATEMENT ON REPORTED FRAUDS

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, may I put a question to the future minister of manpower?

As concerns the question I had asked him some time ago about Notre-Dame-de-la-Guadeloupe, winter works and certain charges of fraud and swindle in this field, the minister had promised to hold an inquiry. Can the minister inform the house as to the results of this inquiry, if completed?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, the hon. member for Mégantic knows that the inquiry he has asked for must be handled through the provincial government. The steps have been taken and as soon as I know the results, I will be glad to advise him accordingly.

[*English*]

FARM MACHINERY

REQUEST FOR STATEMENT RESPECTING INVESTIGATION REQUEST

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I want to put a question to the Minister of Agriculture, but in view of his absence today and I believe also his absence yesterday, I shall put it to the Prime Minister. In answer to a question which I put some days ago the Minister of Agriculture promised that an inquiry would be set up into the high cost of farm machinery. In view of the report that Massey Harris has shown a 160 per cent increase in its profits, has the government taken a decision to set up that inquiry now?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the matter is under consideration. I expect to be able to make an announcement, or that the minister will do so, within a day or two.

Inquiries of the Ministry

MANPOWER

USE OF NAME BY PRIVATE ORGANIZATION

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration. Could the minister inform the house whether he has received representations from Man Power Service Ltd. regarding the proposed use of the name "manpower service office" by the department of manpower; and could he indicate whether he is taking steps to ensure that the rights and privileges of this company will not be infringed by government action?

Mr. Speaker: Order. This question should be placed on the order paper.

GRAIN

INQUIRY AS TO FINAL DELIVERY QUOTAS

On the orders of the day:

Mr. R. D. McLelland (Rosetown-Biggar): Mr. Speaker, I would like to direct a question to the Minister of Finance in his capacity as reporting for the Canadian Wheat Board. As of today at most delivery points in Saskatchewan there remain only 46 days on which elevators will be open to receive grain from the farmers, and as quotas at the present time range from 5 bushels to 10 bushels per specified acre, can the minister give the house any assurance that the Canadian Wheat Board will try to equalize these quotas in the remaining 46 days as the deliveries for this crop year will be closed off at the end of that period?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I can certainly give the hon. member every assurance that the wheat board has that as its objective. I think the hon. member is aware, as I have been, of the remarkable progress that has been made in recent months in the equalization of quotas.

VETERANS AFFAIRS

INQUIRY AS TO REPORT ON PENSION COMMISSION

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I should like to direct my question to the Minister of Veterans Affairs. In view of the fact that it is now late May, and that on April 19 he advised the hon. member for Esquimalt-Saanich that he was not as yet prepared to release Mr. Justice Wood's report on the Canadian pension commission, can he now advise the house about the present status of that report?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker—

Some hon. Members: Order.

Mr. Teillet: If I may return to my seat, Mr. Speaker—

An hon. Member: Order. You cannot answer from there.

Mr. Teillet: If I may return to my seat I will answer the question, Mr. Speaker.

Mr. Speaker, if I may now answer the question asked a moment ago, I should like to repeat the answer I gave to a similar question yesterday at a meeting of the standing committee. It is expected now that this report will be received in about August.

[*Later:*]

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of Veterans Affairs and arises out of the answer he gave to the hon. member for Halifax a moment ago. In view of the fact that the Wood commission report will not reach his hands until August, will the minister reconsider the answer he gave to a previous question to the effect that he will not introduce any veterans legislation in this house until after he receives that report? It seems to me it will take—

Mr. Speaker: Order, please. The hon. member has completed his question.

Mr. McIntosh: Mr. Speaker, my question is this. Will the minister introduce veterans legislation at this session?

Mr. Teillet: Mr. Speaker, I find it difficult to add anything to what I said in answer to the earlier question. If the hon. member will be specific as to what he has in mind perhaps I can give a more definitive answer.

Mr. Speaker: Order, please. I suggest to the hon. minister that the hon. member has been specific, and that when the minister states he cannot reply to the question the matter should end there.

HAMILTON, ONT.—REPORTED SHORTAGE OF HOSPITAL BEDS

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I should like to address a

question to the Minister of Veterans Affairs. In view of the fact that there is a critical shortage of beds in veterans' hospitals, which fact was responsible for the death of at least one veteran in Hamilton, and that there are 200 veterans in Hamilton with the same medical condition awaiting admission to Sunnybrook hospital, is the government taking any steps to alleviate this situation?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I cannot accept, of course, the premise on which the question was based. If the hon. member will supply me with specific details of the case to which he is referring, I will have it looked into.

HEALTH AND WELFARE

LEGISLATION COVERING POSSESSION OF DRUG LSD

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, I have a question for the Minister of National Health and Welfare, but in his absence I should like to direct it to the Prime Minister. In view of the reported seizure of a large quantity of the drug LSD in Toronto, is the Prime Minister prepared to announce legislation covering the possession of this dangerous drug?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to discuss this with the minister on his return later this afternoon.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

REQUEST FOR REPORT ON DISCUSSIONS WITH UNIONS

On the orders of the day:

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, may I direct a question to the Minister of Labour?

Is it true that tomorrow or the day after tomorrow a meeting of the special committee of the federal cabinet will be held to study the litigation between the C.N.T.U. and the C.L.C. in connection with C.B.C. employees?

Mr. Speaker: I do not think that this question is acceptable.

[*Later:*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the hon. Minister of Labour.

Can he tell us if the Canadian Labour Congress refused to participate in a joint meeting of the C.L.C. and the C.N.T.U. to deal with the current C.B.C. union dispute, which meeting the minister had announced to the house some time ago?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, there is no truth in that suggestion. A meeting had been tentatively arranged for Friday morning of this week at the request of the railway brotherhoods. The Canadian Congress of Labour intimated that it would like to participate in any such discussions. I might say that at least one other labour organization, which is not associated with either the C.N.T.U. or C.L.C., has expressed a similar desire. It may be necessary for us to arrange another date, and we are now waiting a decision as to date from the ad hoc committee. I am awaiting the return of the chairman of this committee, the Minister of Trade and Commerce, to discuss the date with him.

I might say that I personally was inclined to agree to a short adjournment of the meeting, providing it could be held not later than around the middle of June, but I will have to discuss the date with the Minister of Trade and Commerce when he returns, and proceed with arrangements for the next meeting.

[*Translation*]

Mr. Grégoire: Mr. Speaker, it may be that interpretation is wanting, but my question to the hon. Minister of Labour deals with the C.B.C. dispute and not the railways.

[*English*]

Mr. Nicholson: Mr. Speaker, that is the very matter to which I was referring. The railway unions, like any other nation-wide organizations, have an interest in the matter that was dealt with by the national labour relations board and is being considered by the ad hoc committee. The government would like to have all aspects of this matter before it, not just the aspects pertaining to the C.B.C.

Inquiries of the Ministry

INQUIRY AS TO REPORT OF MEDIATOR

On the orders of the day:

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, I should like to ask the Prime Minister whether he has received a report from Mr. Stuart Keate in respect of the dispute between the C.B.C. and its producers. If so, is the Prime Minister prepared to inform the house as to its contents?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this report was delivered to my office a few minutes before I came into the house. I hope to be able to read it this evening and forward it to the two parties concerned, after which it will be made public.

AIR CANADA

STATEMENT ON THREATENED STRIKE OF EMPLOYEES

On the orders of the day:

Hon. John N. Turner (Member of the Administration): Mr. Speaker, yesterday the parliamentary secretary to the Minister of Transport undertook to provide an answer to the hon. member for New Westminster regarding a dispute which exists between the Canadian Airline Employees Association and Air Canada. I am advised by Air Canada that at a conciliation board meeting with negotiating committees of the union and Air Canada there was unanimous agreement as to the terms of a new contract, but that to date the membership of the union has failed to accept their recommendation. Officials of the union are understood to be meeting today to determine the position of that group.

EXTERNAL AFFAIRS

VIET NAM—REPORTED APPEAL BY UN SECRETARY GENERAL

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. I have not sent him notice of it, but it is about a subject with which I know he is familiar and will not be embarrassed. Has the minister noted the urgent appeal of the secretary general of the United Nations yesterday at the convention in Atlantic City of the amalgamated clothing workers, urging that both sides in the war in Viet Nam should now scale down military operations and take the initiative in direct negotiation; and will the government give its support to Mr. U Thant's plea?

[Mr. Nicholson.]

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I did note what the secretary general said yesterday. What he said was precisely the same as what he said the other day in London. The Canadian government's actions with respect to the role of the commission are not inconsistent with this plea.

COMMONWEALTH RELATIONS

PROPOSAL BY ZAMBIA THAT U.K. BE EXPELLED

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he has sent a message to the prime minister of Zambia advising him that Canada will not support Zambia's proposal to expel Great Britain from the commonwealth?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, all I have seen about this proposed action, which it is reported may be taken by President Kaunda, is what I have read in the press. The other day we had an opportunity of exchanging views with his minister of foreign affairs here in Ottawa, and I think the government of Zambia is aware of the views of the Canadian government in this regard.

Mr. Churchill: Mr. Speaker, how can the government be aware of the situation unless something has been said by the minister? In the interests of maintaining a united commonwealth, and in view of the support we have been giving Zambia recently, should we not take some step to strengthen the commonwealth rather than permit a country like this to suggest the expulsion of the senior member?

Mr. Martin (Essex East): Mr. Speaker, I fully agree with my hon. friend that we should take every step we can to strengthen the commonwealth. As I said, we did have a discussion here the other day with the foreign minister of Zambia. I think my hon. friend will be able to conclude, from what I said before the external affairs committee on this subject, that we are very anxious to see to it that action taken with regard to the problem in Rhodesia is not designed in any way to destroy the unity of the commonwealth, that indispensable organism for international harmony at the present time.

LABOUR CONDITIONS

INQUIRY AS TO INTRODUCTION OF LABOUR SAFETY CODE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Can he now tell us when it is intended to bring the proposed Canada labour safety code before the house?

Hon. J. R. Nicholson (Minister of Labour): At a very early date, Mr. Speaker; I would say within the next 15 days, or so.

COAL

INQUIRY AS TO REPORT ON ASSISTANCE PROGRAM

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Finance. As it was indicated by the Minister of Mines and Technical Surveys that Dr. Donald had dotted his "i's" and crossed his "t's" over three weeks ago, when does the minister expect to receive the Donald report?

Hon. Mitchell Sharp (Minister of Finance): I am expecting it at any time, Mr. Speaker. I am not absolutely sure but I understand Dr. Donald has now completed it and that it is on its way to me.

Mr. MacInnis (Cape Breton South): A supplementary question, Mr. Speaker. I wonder whether the Minister of Finance would be a little more specific, as was suggested by the former minister of finance, the hon. member for Davenport (Mr. Gordon).

Mr. Sharp: I have never been more specific in my life, Mr. Speaker.

CANADIAN FLAG

REQUEST FOR REGULATIONS RESPECTING QUALITY OF MATERIAL AND COLOUR

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wish to direct a question to the Prime Minister, notice of which I have sent him. In view of the continuing use in Canada of Canadian flags containing inferior content, both in colour and texture, which results in an undesirable presentation of the flag, can the Prime Minister assure the house that the government will shortly bring in regulations governing the quality of material and colour content in the flag so that some of the embarrasssing emblems now flying can be eliminated?

Mr. Speaker: Order. This question should be placed on the order paper.

NATIONAL DEFENCE

NEGOTIATION WITH FRENCH GOVERNMENT RESPECTING MYSTÈRE AIRCRAFT

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question is to the Minister of Defence Production, Mr. Speaker. The other day I asked the Minister of National Defence a question with regard to the discussions and the stage in which they may be respecting the Mystère aircraft. He was not able to answer the question, saying that this matter lay within the jurisdiction of the Minister of Defence Production. Is that minister in a position to tell us the stage discussions have reached with regard to the acquisition by Canada of some Mystère aircraft?

Hon. C. M. Drury (Minister of Industry): A very advanced stage, Mr. Speaker.

Mr. Lambert: A supplementary question, Mr. Speaker. In this new lexicon of government replies, what is an "advanced stage"? Is it almost at the hatching stage?

Mr. Drury: Almost at the hatching stage, Mr. Speaker.

GOVERNMENT ORGANIZATION

PROVISION FOR ESTABLISHMENT OF NEW DEPARTMENTS

The house resumed, from Tuesday, May 24, consideration of the motion of Mr. Pearson for the second reading of Bill No. C-178, respecting the organization of the government of Canada and matters related or incidental thereto.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, last night I was saying that the facts are not conformable to the present situation, that the departments cannot discharge their responsibilities, because something is not functioning properly from an economic point of view. They cannot meet the needs of the population.

Mr. Speaker, we now have a certain number of departments and the government wishes to create more. We had 26 departments, and I

believe it is intended that we have 30. But all those departments cannot operate properly because something is lacking.

Government legislation and the standing orders of the house—I agree with the other members who have said so—do not conform to facts and realities, they are not adapted to present needs. I say much should be reformed, not especially within the departments but rather in the administration of the house. I am positive that even though we set up about a hundred departments, we could not go far because, as I said, the departments do not have what is needed to work well. It is well known that every department works on the basis of financial means and not on the basis of physical potentials of the country. Instead of assuming our responsibilities, we shift them to other agencies. Besides, departments already existing and those we are now setting up, we institute independent commissions to carry out responsibilities incumbent on us. Responsibilities are devolved upon various commissions which are not responsible to the people. They are responsible to the government, but they carry out their investigation and make reports which last for years and all this time, the people wait, the people have nothing. Members of parliament and the administrators of the country do nothing; no progress is made; things are at a standstill.

We discuss old methods, old financial means and old formulas. We discuss these old formulas without thinking of new ones. If commissions think of new formulas, it takes years before a report is made and when the reports are tabled, for the information of the administrators and members of parliament, three quarters of the latter do not have time to read the bulky reports made by various associations, various economists, various technicians.

• (3:30 p.m.)

Quite often, those reports fail to take into account the needs of the people. They are offered things they have no need for. Hon. members are expected to study those reports. Some are concrete, positive reports and others are useless. Therefore, I ask hon. members and the agencies coming under the house to assume their responsibilities. I ask the Prime Minister (Mr. Pearson) to stop creating commissions and departments here and there, when the existing ones cannot even operate. As a result, we have a number of reports which hon. members do not even have time to study. But the one who is mainly responsible for all that is the Minister of Finance (Mr. Sharp). If he does not face reality, none of those departments can operate. Departments cannot operate without money.

When the Minister of Finance restricts credit, investments, why create new departments? We are not even able to finance the existing ones. I do not agree with the Prime Minister about the creation of new departments.

Many other things should also be mentioned. The Minister of Finance does not assume his responsibilities. He allows the people in general to be exploited and parliament itself is exploited by the Minister of Finance. For instance, interest rates are usurious, encroaching, and no one inside the Department of Finance worries about it. Everything appears normal to them. Excessive rates make life very hard, cruel, merciless for Canadians, discourage any initiative from those who work and build. It is not by creating new departments without money that we will put in order our economy which is sold out, in debt, paralysed by a basically false system.

Mr. Speaker, the Department of Justice also has huge responsibilities but does not always assume them. That department should expose the reasons for the present evil and punish those who commit crimes. It is good to punish the guilty ones, but the reasons for such crimes are hidden, covered up. They are never brought to light.

Our diabolic system has led a great number of citizens to become dishonest, to commit crimes. But a government in office has never disturbed anyone to put some order in our anti-human, antisocial system. New departments or a parliamentary reform will not give back to the people their rights and prerogatives, if our financial structures are not changed.

A single department would be necessary, Mr. Speaker. I think that if we wanted to establish new departments, one department would be essential, namely the department of consumption. Consumption is insufficient. Production has been created to be distributed, but it is not. It remains in warehouses and stores. Citizens are waiting to have the means to purchase that production. This is why there should be a department to co-operate with the Department of Finance and find the means to distribute that production. The people, on the contrary, are deprived through taxes and funds of all kinds, and inspectors who often have wonderful diplomas and no

talent nationalize the taxpayers' money with their socialistic legislation.

What progress has been made up to now? Under the present system, nobody will have to try very hard to provide for his old age. There will be no need to figure out how to spend our money. The government will see to everything in our stead. Citizens will only have to work, that is all. The government will keep their pay and spend it for them. The government will look after us and see to it that our children are educated. In the future, the ministers will replace fathers and mothers in every respect. It will be the planning state, the wage, inheritance and freedom stealing state.

To maintain the present system will lead us shortly to the conscription of salaries by insurance, clans of all kinds, union contributions, arbitration boards and income tax.

Conscription of inheritance by death duties; conscription of savings by the pension plan; conscription of the sick by hospitals; and in the future, conscription of churches by taxes on vestry-boards.

Let the government mind its own business and first of all, let it remove the financial obstacle put by the banking system between goods and families, between shop-windows and kitchens.

Let the government set up a financial system—

The Acting Speaker (Mr. Rinfret): I am sorry to interrupt the hon. member, but I wonder what connection he is trying to establish between the banking and the financial systems which come under the government, when we are considering the reorganization of the government and the various responsibilities to devolve upon each department.

Mr. Latulippe: Mr. Speaker, the reorganization of the government is effected through various departments. The economy of banks, the whole country is controlled by the various departments. Since I am dealing with the Department of Finance, I am speaking about finance. It seems to me I am in order, because the Department of Finance is the major culprit. From it proceeds everything we can do in this respect, everything we can finance and operate. The Minister of Finance is the person responsible. There are many other measures which cannot be applied without the consent of the Minister of Finance. What I am trying to show is the influence which the Minister of Finance should have on the other government departments and the say he should have in the creation of the proposed new departments.

Let the government institute for each citizen a dividend, a discount compensated on prices, instead of the taxes which are bleeding us to pay Caesar.

And all the socialist plans and projects can go to a museum, from where they should never have been taken out.

Everybody will be better off. As for those with diplomas who are looking for a way to do nothing, they will always be able to live on their social dividend, which is precisely free money for those who do nothing, with the difference that each and everyone would receive this free social dividend.

• (3:40 p.m.)

The state's intervention in the economy must regularize and moralize the action of the economic forces without going to the extremes of economic planning by striving to associate professional organizations to that intervention. A good deal of our organic laws have to be redrafted in that respect. A new viewpoint, a new ideal is necessary if we really are to reorganize our economic system. If we really want our various departments to function well, all the responsible heads have to assume their responsibilities, each responsible person must find means to finance a country, its production, its development, its investments, in short the whole Canadian economy, as long as there are workers, builders, physical potentials—

The Acting Speaker (Mr. Rinfret): Order.

Mr. Latulippe: There is no reason why we should accept as barbaric a system as the one we have now.

The Acting Speaker (Mr. Rinfret): I thank the hon. member for his argument on economy but I should just like to remind him that we are now considering the sections of the bill which deal with the responsibilities of various departments.

Mr. Latulippe: I had concluded my remarks, Mr. Speaker.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, Bill No. C-178 now before us provides an opportunity to make a few remarks on the reorganization of the government of Canada.

I have only a few remarks to make. This legislation provides for the establishment of a department of the registrar general, the duties

of which will be more particularly to ensure a closer study of combines, monopolies and bankruptcy.

With this in mind, I want to make a few remarks at this stage in order to point out certain things to the man who will be responsible for administering this new department.

Some time ago I had the occasion of forwarding to a friend of mine, who is the manager of a company of pre-mixed concrete the report on restrictive trade practises covering the operations of four pre-mixed concrete companies.

My friend, who heads one of the most flourishing industries of this type in operation in the region of St. Hyacinthe, went through this report with great care, and then sent his remarks to me. In those remarks, that I shall do my best to paraphrase my correspondent said that the way the government deals with the matter of combines is a farce and a tragedy detrimental to our citizens.

In his letter, my friend refers to four companies which agreed to fix the prices of their products.

He says to me: "You see, the commission works unceasingly at gathering evidence against those four small companies which are interested in their work and want to keep afloat, while the same commission pays no attention to large combines."

For instance, he says: "At this time, there are four cement plants in this country: the Miron company, the St. Lawrence Cement Company, the Canada Cement Company and the Quebec cement plant. When we ask them to quote on our cement supplies, each and everyone of them puts in the same price; there is no difference; they agreed to quote identical prices." It is absolutely impossible for those who have to buy such products to get a better price from one given company.

Further, in his letter this citizen of the constituency of Saint-Hyacinthe-Bagot says that the same situation exists among oil refineries: "If you ask for a quotation from British American, Imperial Oil, Fina, or Shell, for asphalt cement, you will get only one price."

Mr. Speaker, I make these remarks in order to bring to the attention of the minister who will be responsible for the administration of this new department the fact that the legislation will have to be applied unilaterally, that is to every company regardless of their business status or importance.

You can understand as I do that some companies which are not as sound financially as others in the field of pre-mixed cement might be subject to very inconvenient effects, which will prevent them from facing up to existing competitors, much less scrupulous and law-abiding.

I should like to add that the incumbent of this new department will certainly have the opportunity to implement a request made to him some time ago by the minister of justice of the province of Quebec, with regard to the setting-up of an inquiry into fraudulent bankruptcies and organized crime.

However, when the department is in operation, the person who asked for that inquiry will certainly not be responsible for the administration of justice in Quebec, since another government will have been elected by the people of that province. It is appropriate, however, to support the request made by Mr. Claude Wagner, because many things could be learned, if such an inquiry were instituted.

I agree with the federal Minister of Justice (Mr. Cardin) when he states that here, in Ottawa, we do not have only spineless people. I am convinced that the creation of this new department will prove this to those who try to represent everyone connected with parliament in Ottawa as second-class citizens, fearful of responsibilities.

Just like the Minister of Justice, I am somewhat annoyed at people calling us fearful and spineless. According to them, it is always helpful to call on Ottawa to get some money, but they always strive to show that under an unfavorable light.

We have here citizens who come from the province of Quebec and are most anxious to be worthy of the confidence placed in them by the citizens of their own constituency.

The sooner we succeed in eliminating the disparagement—the word must be uttered—being carried on towards representatives of the people in Ottawa, the sooner the common good will be served.

We have responsibilities and obligations, and I think we all want to discharge them for the good of our constituents.

I see in the creation of this new department, an opportunity for another member of my province to be useful, not only to his compatriots and his constituents, but to the citizens of Quebec and Canada as a whole.

• (3:50 p.m.)

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the ground with respect to this bill has been pretty well covered

in the debate on second reading and I shall not repeat any of the arguments which have been made. However, there is one point that concerns me, and I am glad to have within hearing not only the Minister of National Revenue (Mr. Benson), who I gather is more or less responsible for the legislation, but also the President of the Privy Council (Mr. Favreau) and the Minister of Justice (Mr. Cardin). If I may invite their attention to the problem perhaps it may be solved quickly.

As matters now stand, if a person wants to look at the basic law regarding any department of government all he has to do is consult the index to the statutes and he will find there the Department of Justice Act, the Department of Labour Act, the Department of Agriculture Act, the Department of National Health and Welfare Act, and so on.

In the case of the present bill, for reasons which the Prime Minister gave and which carry some weight, several departments are having their basic structure comprised within one bill. It seems to me this will make things a bit confusing in future. I wonder whether the revision of the statutes now in process could cover this point? In other words, what I am asking is in two parts. First, would it be automatic that the commission revising the statutes would take this bill, if we get it through in time, and break it into its component parts so that the general picture I have outlined would still obtain?

Second, if that is not automatic, would there be any impropriety if the minister to whom this commission reports were to make the suggestion to the commission that this be done? I really do not think it is improper because in my own experience I once found an error in the revised statutes and wrote to a minister about it. It was suggested that I pass this information on to the commission.

This matter may be dealt with by a minister rising now in this debate or perhaps it could be dealt with later. I know it is only a small point. Indeed, it is only a technical point, but I suggest it is an important one since the whole purpose of this bill is to make things a bit more efficient. For heaven's sake let us not go in the other direction and find that some of our departmental statutes, which were easily found in the index, have been lost somewhere in an omnibus piece of legislation. I am glad to have the attention of three or four ministers with respect to this point and I would be quite happy to receive an answer from any one of them.

Mr. Benson: Mr. Speaker, we would certainly be glad to pass along the suggestion of the hon. member for Winnipeg North Centre. If what he suggests can possibly be done we shall certainly see that it is done.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my intervention will be brief. I put on the order paper on May 16 question No. 1,499 with regard to the proposal of the new department of manpower to establish manpower offices across the country. It is this proposal that prompted the question. I think the minister is well aware of the point I have raised. I know that it could just as simply be raised at the committee stage in discussion on the relevant clause, but I want to raise formally the matter inherent in the question I have put.

My question referred to the existence of a national organization of some years standing in 19 communities across the country known as Manpower Services Limited. If the department of manpower opens its manpower offices there will obviously be a great deal of confusion generated as a result of the similarity of names. Whether this was done *per incuriam* I do not know. I do feel there ought to be some form of negotiation or perhaps change with respect to this name because I do not believe that anybody in government, whether the department is big, medium or small, can afford to trample on the rights of the individual.

This matter affects the fundamental rights of individuals who have had some interest and will continue to have an interest in the name "Manpower Services Limited". To have the government come along and say they are going to open manpower offices for related purposes will cause a great deal of confusion. After all, the services of the department of manpower and the functions of Manpower Services Limited are related to the employment field.

There are a number of other things with regard to this bill that I could discuss relating to the Royal Canadian Mounted Police and to other functions. Hon. members generally have canvassed this bill on second reading. May I also point out that, with the greatest of respect, I have found some little difficulty with regard to Mr. Speaker's ruling yesterday concerning the department of forestry and rural development. If it was not necessary for that department to appear in the resolution why was it necessary for the department of Indian affairs and northern development to

appear? There is nothing new in that department. It embodies merely a collection of functions that already exist in various places elsewhere.

This is a point to ponder, as is also the fact that a wholesale reorganization could perhaps be effected, by the nomination of merely two or three departments in a resolution. I think there is a difficulty here. The resolution was bad on the face of it and it entrained the Chair unfortunately in a difficult decision about which there can be some doubt.

In this resolution I must say that I think an effort was being made and condoned to do something rather smart. This was perhaps the slick and professional way of doing it. As so often happens, things of this sort fall flat on their faces. It would have been far better to have been overly cautious—perhaps this point is arguable—and to have included the sixth department in the resolution.

With these few remarks I shall resume my seat and continue the discussion clause by clause as the occasion may arise.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I do not intend to speak for very long. I rise with two points in mind concerning the department of manpower and possibly also the Solicitor General's department. There may be other points that I should like to bring up at this time since we are discussing the reorganization of the government.

I agree with the reorganization as set out in this bill. Manpower will in future be treated on a more definitive basis. The problems concerning manpower are not unique in my constituency but prevail pretty well across the board. This is probably due to the fact that the former minister of labour could not follow through on all governmental projects. Possibly he did not have the watchful eye over governmental administration that he should have had, which again was due possibly to being overburdened with work.

I refer, for example to the scandalous procedures that have obtained particularly in the winter works program. If there were one man responsible for the labour and another paying for it there might be some chance of abolishing these scandalous procedures. This should have been done some time ago. By subdividing the tasks which ministers now have we might have got better results in places such as Notre Dame de la Guadeloupe where $194,000 has been spent by the municipality without anything to show for it. There is something terribly wrong here. This situation has been in existence for three or four years but apparently nothing can be done except wait for the province to make inquiries.

• (4:00 p.m.)

Yet under the Solicitor General's department we have a force, the R.C.M.P., which is concerned with justice. I say there is injustice here and in spite of the fact that there are provincial and municipal boundaries I still think the R.C.M.P. has the power to look into such procedures as I have mentioned, especially when the federal government is putting up funds derived from Canadian taxpayers. I ask the minister to look into this situation and not to wait until everything has been covered up. A provincial organization in Sherbrooke, trying to find out whether people had been receiving the basic salaries to which they were entitled, got access to the books during the past three or four years and has publicly stated that the situation amounts to a complete mess.

And this is only one case. There are many others across this country where the federal government must rely on action being taken by the provinces. While we are discussing the reorganization of the government we should at least concede that when the federal government is spending money in different parts of the country it should be entitled to find out by means of its own where that money is going. I am not concerned now with provincial funds. They are the responsibility of the province alone. But I do think it is our responsibility to know where federal money is being spent.

If the minister had been given the power I suggest two or three years ago he would have found out by now through his assistants that people were not being paid although their names were on the list in connection with winter works projects. In other cases they received cheques, endorsed them and sent them back although they were not doing any work in connection with the projects. This has been going on for four years.

Let me tell hon. members something about this municipality which might open their eyes. Within a year and a half there have been seven suicidal hangings. There is something wrong there, and if the provincial government does not look into the situation then the R.C.M.P. should. The Criminal Code is involved to the extent that there is fraud. The federal government is concerned because

its funds are being spent. I do not see why we should wait for the provincial solicitor general to open an inquiry. I do not even know whether he wants to do so. Mr. Wagner makes a lot of statements but he does not seem to be moving. I do not think he is very interested. In any case, he is engaged in an election at the moment.

Another subject which deserves our attention concerns the committees of this house. We have had a lot of trouble lately with the committees. It is all very well to subdivide the work of cabinet ministers but members of this house are here to do a job too. On many occasions the reports of committees are not even considered in the house despite all the work that has gone into their preparation. This must not be allowed to continue. Are we here only to ask questions and bring in recommendations which very often are not considered at all?

Not everything done south of the border is deserving of blame. Sometimes we must congratulate our neighbours on the way they arrange their affairs. Committee work under the United States' system of government is much more efficient than anything we have here. Committees, properly employed and given wider powers, can be of great help to each and every one of our cabinet ministers. But their reports must be considered and acted upon and the committees must be given the authority necessary to inquire into such cases as the one I have cited. Their reports would be of great help in the preparation of legislation. Committees could recommend changes in legislation and such recommendations should be seriously considered by the government.

I should like to hear one of the hon. gentlemen opposite express an opinion on this matter. In the United States a senator is paid a salary of approximately $30,000. In addition he receives an expense budget of $80,000 to help him get organized. It is true we are paid $18,000 here but that is still far from what they are getting. I was talking to an hon. member of this house who had come back from Washington. He said, "Good God, they know more about Canada there than we do here".

[*Translation*]

The Acting Speaker (Mr. Rinfret): I must remind the hon. member that we are dealing with the reorganization of departments. His remarks are most interesting but I do not think they are relevant to the bill now under consideration.

[*English*]

Mr. Langlois (Mégantic): I humbly submit that each one of these committees is subject to one of the cabinet ministers. We are proposing to subdivide the ministries in order to lessen the work of ministers. If we did not adopt the attitude of the ostrich by hiding our heads in the sand and waiting for someone to kick us in the bottom, we would consider how things are being done in committees of this house.

An hon. Member: Order.

• (4:10 p.m.)

Mr. Langlois (Mégantic): There are many things that are in order with which I do not agree. Maybe they are not sensible but we have to follow the rules. Rules are to be followed but sometimes we should put them aside and apply common sense. I agree I may be reaching the very boundary of the subject under discussion but I think I am still within the line. It may be a very thin line but if we stretch it outward a little farther we may help the government solve the country's problems, its own problems and our problems. I should like to conclude on that note and I hope I will have the opportunity to return to it when dealing with specific clauses of the bill.

Mr. E. Nasserden (Rosthern): Mr. Speaker, when dealing with the subject of reorganization of the government one cannot help realize that three years after this government took office the Prime Minister (Mr. Pearson) has acknowledged the fact that it is unable to cope with the problems facing Canada under the rules and regulations that have been in effect over a long period of time. Many in the house will recall that during the government's first year or two in office it constantly came back to the house with the admonition that it was the rules of the house which prevented the cabinet from giving the country the kind of administration it required. But now, following amendment of the rules on a provisional basis, the Prime Minister comes into the house with a proposal to reorganize the government itself.

I cannot help but feel it would have been much easier for the Prime Minister to reorganize his cabinet by placing in control of the departments of government that have existed for a long time members within his own party who could make the necessary decisions within the framework of those departments. To take departments such as agriculture, justice and labour, divide them into two or

three parts and split up their functions does not fulfil the responsibilities of a Prime Minister in this age of advanced automation.

Furthermore, I cannot help but think that a great deal of the problem which has faced us in parliament has stemmed from the organization of the business of the House of Commons. If we as members are given a bill of fare which has been carefully thought out before being presented to us we can do an effective job. Without a carefully thought-out program, to change the rules is futile, and it is also futile to reorganize the departments of government. What we in parliament need more than anything else is leadership from the government benches, leadership that will improve and protect the image of parliament, that will improve the effectiveness of this institution and provide us with proposals into which we can really sink our teeth and come up with something worthwhile for the Canadian people.

The Canada Development Corporation proposal has been before the cabinet for many months. Perhaps it will eventually be introduced here again but in a revised form. In this connection one can think of the Canada Pension plan and other pieces of legislation that were revised, revised and revised before parliament was able to deal with them, with the result that much time was lost. The image of this institution was destroyed and in the interval the enthusiasm of members was lessened.

The hon. member who preceded me referred to the committee structure of the house and said that committee decisions are ignored by the government. This is a fertile field for the reorganization of the business of the house. Committees should be given something worthwhile to do. Members who serve on them should know that their decisions will be acted upon. Committees can take some of the pressure off this chamber and even off cabinet ministers.

Ministers who have been unable to cope with the problems of long-established departments will, I feel, have the same difficulty with the proposed new departments. I take a very dim view of the fact that the Department of Agriculture is going to be split in three, because when we ask questions on agricultural matters in the house one minister will be able to slough them off on another and no one will give us answers. I also take a dim view of the fact that the Department of Labour is being mutilated.

[Mr. Nasserden.]

One serious omission from the proposed reorganization is a proposal to establish a department of urban affairs. Now that Canada is emerging as an industrial nation, urban problems are becoming greater and greater. All across the country people are leaving agricultural employment, going to the cities to look for jobs and trying to become part of new communities. This is a problem that has been increasing for several years but we in the Canadian parliament in 1966 are failing utterly to do anything about the problems of these people not only in metropolitan areas such as Toronto and Montreal but in smaller communities.

Another problem with which we are faced is the multiplicity of parties in this house. I do not know whether the Prime Minister thought last fall that he could do something about that when he called the election or whether he thought he would be able to reorganize the government as a result of the election, but as I look at this legislation I cannot help but think it is an exercise in futility, and unless we get the leadership we need from the treasury benches parliament cannot help but continue to cast the poor image across the country that it casts today.

The Acting Speaker (Mr. Rinfret): The hon. member for Brome-Missisquoi.

Mr. Macaluso: On a point of order, Mr. Speaker, you have allowed three members of the opposition to speak and I think it is time a member on this side of the house had the opportunity to participate in the debate. I do not care if you are following a list, sir, but I know there is no list so far as this side is concerned.

The Acting Speaker (Mr. Rinfret): Does the hon. member wish to speak?

Mr. Macaluso: I stood up twice for that purpose.

The Acting Speaker (Mr. Rinfret): I regret I did not see the hon. member. I hope he will accept my apologies. I recognized the hon. member for Brome-Missisquoi but the hon. member will have his turn in due course.

Mr. Macaluso: On a point of order, Mr. Speaker, and with all due deference to you, I think it has been the rule to proceed in a circuit around the house in calling on members to speak.

The Acting Speaker (Mr. Rinfret): Order. The hon. member's point of order was well put and I think he has enlightened the Chair,

but I have recognized the hon. member for Brome-Missisquoi.

• (4:20 p.m.)

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I intend to make only a few remarks at this stage. First of all I should like to state that I am sure most hon. members on both sides of the house are going to support the general purport of this bill which is to adapt government techniques to modern times. I hope that this general reorganization of cabinet responsibilities will help us to do one thing, namely, to co-operate with the provinces in order to plan priorities. I know that in many ways this is a difficult thing to do, but when we are giving increased responsibilities to a minister who will represent the Treasury Board in this house I hope that either he or some other designated minister will take it upon himself, with government support, to do everything possible to bring about the improvement in this field which is needed so badly. In 1966 I think we have learned a lesson on both sides of this house, namely, that in a country like Canada we can make no real progress in an economic, social or political sense unless we do everything possible to unite our country and to improve federal-provincial relations.

[*Translation*]

I am perfectly aware that the government has made some progress in that field and has improved its relations with the provinces, because we note in each corner of the house that it is now impossible in 1966 to make some progress in the social, political or economic fields without endeavouring to improve relations between Ottawa and the provinces.

I do not entirely agree—and I say this without any feeling of partisanship—on the policy laid down by the ministers, but we have made some progress in that field.

[*English*]

If we are going to do everything we can to improve federal-provincial relations in a modern state like Canada and really adopt our new ministerial procedures to modern times we will have to make a greater effort in a bipartisan way to plan priorities with the provinces. I hope that this governmental reorganization will mean two things basically: First, improved and permanent consultative machinery as between Ottawa and the provinces and, second, the development of an ability under federal direction to plan priorities with the provinces in the social and economic fields.

In general I hope that the reorganization of cabinet responsibilities in a very general way and, in another sense, in a very definite way will restore federal leadership to the position that belongs to it in a country like Canada. Let us face the facts. This is the first nation in the modern western world which has attempted to make a parliamentary system of government work with a federal system of government.

[*Translation*]

But if we do our best to improve relations between Ottawa and the provinces, if we do our very best in that direction, I am convinced that we will have done great things to consolidate Canadian federalism.

[*English*]

Those are the few remarks I wanted to make at this time. I believe that the listing of priorities and improving federal-provincial relations are the questions that are foremost in the minds of members in every corner of this house. It is my hope that the reorganization of the cabinet will be at least a first step forward in attaining this goal.

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, I am afraid I do not find that the procedure of allowing six or seven opposition members to speak consecutively is very funny.

The Acting Speaker (Mr. Rinfret): Order, please.

Mr. Macaluso: In fact, I think it is discriminatory.

The Acting Speaker (Mr. Rinfret): Order, please. I suggest to the hon. member for Hamilton West that he address the Chair and proceed to make his speech in relation to the bill now before the house.

Mr. Macaluso: I will be very happy to do so if hon. members will give me the opportunity. I am particularly interested in the reorganization bill as it relates to the new department of manpower. I hope the minister will return to his seat shortly after taking the telephone call to which he has been summoned.

It is proposed in clause 11(1) of the bill to name the new department the department of manpower. Clause 13 defines the duties, powers and functions of this department with relation to the development and utilization of manpower resources in Canada, employment

services and immigration. I have been concerned, as have many other members, because of the fact that the department is not being called manpower and immigration. For many years in this country we have had a Department of Citizenship and Immigration and I know of no country which has been more dependent on immigration.

Recently provincial governments, notably those of Quebec and Ontario, have organized drives to attract skilled workers to Canada. This is taking place because of the great need in this country for skilled immigrants. It is dismaying to find that the new department does not have as part of its name the word "immigration".

I fear that a very heavy load will be placed on the minister in regard to his work in the field of manpower, to say nothing of the duties he will be required to carry out in respect of immigration. I hope that his shoulders are broad and strong. During the short time I have been a member of this house the duties of at least one minister of citizenship and immigration have been onerous. For these reasons I am inclined to believe that there should be two separate departments, one to look after manpower resources and the other to look after immigration.

Manpower and immigration have some associated facets but I fear, as has been expressed privately by members on this side of the house, that the immigration branch in the new department will become more redundant than ever. Perhaps the civil service will assume a greater role in respect of immigration while the minister and his deputy devote their efforts to utilization of manpower resources and employment services.

I certainly hope that the new system of organization will work efficiently but, as I say, there is some basis for the fear that the civil service will take an even stronger part in the operation of the immigration branch. I do not understand how a man on the street is going to be able to get in touch with officials of the immigration branch because I assume it will be listed as a branch of the department of manpower. To whom will individuals direct correspondence and applications? I expect the government will advertise the fact that immigration is a branch of the department of manpower, but I think it might have been easier for all concerned if the name of the new department had been the department of manpower and immigration.

Before we reach consideration of clause 11 of the bill during the committee stage, I seriously hope that the government will propose a change in the name of this department. Canada is a country made up of descendants of immigrants. This fact should be given due consideration. I know the situation will not change because of the policy the government proposes to bring forward.

Those are the points I wanted to bring to the attention of the minister and the government before we reach consideration of clause 11 of the bill, and I hope that consideration will be given to the suggestion I have made regarding the name.

Mr. Brewin: Mr. Speaker, would the hon. member permit a question? Does he not think it would be appropriate for him to propose an amendment to the bill along the lines he has suggested during its consideration at the committee stage? I can assure the hon. member that some of us would consider such an amendment with a good deal of sympathy.

Mr. Macaluso: That may very well be what I will do.

The Acting Speaker (Mr. Rinfret): Is it the pleasure of the house to adopt the motion?

Mr. Starr: On division.

Motion agreed to on division, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

• (4:30 p.m.)

On clause 2—*Department established.*

Mr. Bell (Carleton): Mr. Chairman, clause 2 is the first of the various clauses up to No. 10 which are designed to accomplish the dismemberment of the Department of Justice. At the resolution stage preceding the bill I stated my objections to the emasculation of that historic department. Without repetition, I want to submit again as vigorously as I can that the proposal to divide the department into three separate ministries is a major error which may well have calamitous effects upon the administration of justice in Canada.

This legislation would never have been proposed had it not been for the problems encountered in the portfolio of justice by the hon. gentleman from Papineau. That is self-evident. But such problems as he encountered in that portfolio resulted from a lack of consultation and a lack of co-ordination. This trifurcation of the department must inevitably intensify rather than cure those problems. I put it to the committee that one ministry of justice with an experienced, competent counsel at its head, such as the hon. member for

Brant-Haldimand, can administer justice in this country more effectively, more expeditiously and more evenly than three separate departments. I protest this unwarranted truncation, this wholly unjustified wrecking of the great and historic portfolio of justice and I say that the mistakes being made in this chamber this afternoon will soon be apparent even to the Prime Minister and will have to be corrected in the future.

This proposal runs directly counter to the report and recommendations of the Glassco commission. While I do not necessarily worship at the feet of that commission report, I do point out that it very strongly recommended that "the Department of Justice assume responsibility for an integrated legal service embracing all legal staffs of departments and agencies." How could this be achieved without one minister at the head? By its action today the government is foreclosing this important part of the Glassco report.

Personally I do not believe that the office of Solicitor General should be a cabinet portfolio. It should be filled only when there is in this or the other chamber a counsel of unusual distinction who might plead Crown causes in the courts. In the United Kingdom, of course, both the Attorney General and the Solicitor General regularly appear in the courts at trials and on appeals. Recently, for example, the present distinguished Attorney General, Sir Elwyn Jones, prosecuted the sensational murder on the moors case. We who are privileged by his acquaintance know with what distinction a leader of the bar acts as Attorney General in the United Kingdom.

In my view, only when we have a member of this or the other place so qualified and not otherwise engaged in another portfolio should the office of Solicitor General be filled. It was vacant from the year 1935 to the year 1945 when two strong, dynamic men held the portfolio of minister of justice and attorney general, Ernest Lapointe and Louis St. Laurent, and the administration of justice did not noticeably suffer as a result of the vacancy.

It is true that many of our great parliamentarians have been solicitor general without being members of the cabinet since the office was created in the year 1892. I mention Sir Charles Hibbert Tupper, Sir Charles Fitzpatrick, Rodolphe Lemieux, Jacques Bureau and Arthur Meighen. Actually it was only the latter's personal parliamentary brilliance which caused the office to be raised to cabinet rank. He was the first solicitor general to attain cabinet rank, and since his incumbency only two, Guthrie and Fauteux, have held the office as a non-cabinet appointment.

This historical excursion is intended merely to emphasize my point that the office has utility only when an especially distinguished counsel may fill it. In what I am saying, of course, I mean no reflection at all upon the hon. member for Brant-Haldimand. I have already expressed to him my feeling of regard and my belief as to the distinction which he might bring to another office. The existence of the office of solicitor general should never be used, I suggest, as an excuse for undermining the status and the authority of the person who must be the senior law officer of the crown, the Minister of Justice.

I realize that the Prime Minister is adamant now in his proposals and doubtless they will carry. Frankly, I hope the many sound and experienced lawyers in the other place, including perhaps the distinguished government leader there, will have another look at this whole proposal. I am morally certain that within five years we shall revert in this country to a single ministry of justice and this excursion into tailoring portfolios to men will be completely abandoned.

Clause agreed to.

Clause 3 agreed to.

On clause 4—*Duties of Solicitor General of Canada.*

Mr. Brewin: Mr. Chairman, on second reading of this bill I expressed my views in respect of this clause. Instead of repeating what I said I will now confine myself to moving a simple motion. My motion, of which I have copies here, is to strike out subparagraph (c) of clause 4.

It is a simple amendment. Clause 4 provides as follows:

> The duties, powers and functions of the Solicitor General of Canada extend to and include all matters over which the parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency of the government of Canada, relating to
>
> (a) reformatories, prisons and penitentiaries;
>
> (b) parole and remissions; and
>
> (c) the Royal Canadian Mounted Police.

The effect of the amendment if carried will be to restore control over the Royal Canadian Mounted Police, their administration, training and all matters relating to that organization, to the Department of Justice and the supervision of the Minister of Justice. As I said on

second reading, my amendment bears no relation whatever to the personalities of the present Minister of Justice or the Solicitor General.

The point I made before—and I make it again only in case some hon. members were not in the house last night when I dealt with this matter—is that in this era of organized crime, of complicated relationships across provincial and international boundaries, the person who deals with the only police force available in the federal sphere, the force that is responsible for security, should be the first law officer of the crown, namely, the Minister of Justice. To separate the function of controlling, training and dealing with the force from the function of dealing with all these other jurisdictions in the field of the enforcement of law may in the long run lead to conflict between these two departments, to the lack of proper liaison between the police force available, the only federal police force there is, and the administration of the law. In my submission it would be a very grave error, and for that reason I move, seconded by —I am told I do not need a seconder:

• (4:40 p.m.)

That section 4 be amended by striking out subparagraph (c) thereof.

Mr. Scott (Danforth): Mr. Chairman, I rise to speak in support of the amendment and to ask members of the committee to take a serious look at it instead of just shouting for this thing to be rammed through by calling for the question to be put before somebody in the government ranks gets up and tells us the reason for this transfer. We have really heard nothing to justify it. Members on this side of the house have tried, apparently unsuccessfully, to point out the dangers inherent, in our view, in this transfer of jurisdiction. I would have hoped that the Minister of Justice would give us the benefit of his views and experience in so far as the proposal the government is now making is concerned. We would have had an opportunity then to hear the reasons behind the proposed transfer of the police. Such reasons might be very intriguing if they were laid before the committee.

My colleague, the hon. member for Greenwood, has outlined briefly the qualms that we feel at what is taking place here. He has tried to emphasize the tremendous need not for decentralization of the police force but for greater and greater co-ordination. I can recall that in 1962 the hon. member for Greenwood and I appeared as counsel for our

[Mr. Brewin.]

party before the Ontario royal commission on organized crime. At the outset we thought the commission was embarking on a two-week investigation. However, the more we went into the problems of syndicated crime, international crime, and the extent of its infiltration into Canada, the longer the commission sat and the greater the lessons we learned as a result.

We had the advantage of hearing from Mr. Robert Kennedy, then Attorney General of the United States. He did not appear in person but submitted a very powerful and forceful brief in which he outlined the great problems that had developed in the United States of America in attempting to deal with various types of organized and syndicated crime. The major lesson that ran through this presentation was the danger inherent in an inefficient police administration, the very condition which the government intends to create here.

He pointed out the difficulties in the United States where an entire city apparatus was corrupted by the forces of organized crime. He pointed out that once organized crime gets a toehold it is virtually impossible to wipe it out. Every possible degree of co-ordination is required between our police forces and yet here we seem to be moving in exactly the opposite direction. The other lesson we learned from the royal commission in Ontario was that within Ontario itself one of the big problems in dealing with crime was the lack of co-ordination between police forces in our small towns and cities. This condition extends right across the country.

All of us remember the criticism, perhaps some of it unfair, to which the R.C.M.P. were subjected at the time of the famous Rivard case. Again, this case showed lack of communication, lack of co-ordination and the need to strengthen substantially this type of liaison between the police. However, it seems to us that the government is proposing a fantastic idea in that the Minister of Justice, who is charged with the carrying out of our laws and the preservation of justice throughout the country, is going to be divorced from the training, administration and functioning of the mounted police. How are they going to work together? Are they going to write each other letters, and that sort of thing? How is co-ordination going to take place at a time when all of us are aware that the forces of crime are attempting to extend their influence into Canada? No one is assessing blame for this, but the fact is still undeniable that this is

taking place. I do not believe it has really been denied by anybody. The only thing about which we disagree is the means or methods by which to combat it successfully.

Before allowing the section to pass we should like to hear, if we may, from the Minister of Justice and from the Solicitor General how they propose to work. How will the two offices be drawn together in the carrying out of the functions of the Minister of Justice if there is to be a lack of co-ordination with the force by placing the Royal Canadian Mounted Police under this separate jurisdiction? This is a very important matter if we are going to make a serious attempt to deal with organized crime. I am not talking about syndicated crime which is a far more difficult and dangerous problem. In so far as organized crime in Canada is concerned, we can bring in police commission reports to show its existence and the extent of its influence. If you are going to make a serious attempt to deal with organized crime, how are you going to be successful by separating the Minister of Justice from the very agency he needs to investigate, to collect evidence and to carry out this important function?

It seems to me that the step being taken is so serious we cannot and will not allow the clause to pass without some extended comments by the Minister of Justice and the Solicitor General telling us why this method has been chosen and what it is hoped to accomplish by it. I hope the members of the government, even though we want the bill to pass and do not intend to hold it up, will not start shouting "question, question", because this is an extremely important and, to us, dangerous step. Before we consent we want to hear at some length the reason for it.

Mr. Pennell: Mr. Chairman, before referring to the arguments raised by the hon. member for Danforth I wish to acknowledge with gratitude the generous remarks of the hon. member for Carleton. I can assure the committee that I harbour no false hopes in my breast that I could even approach, much less match, the achievements of a former solicitor general, Right Hon. Arthur Meighen.

It is my respectful submission, Mr. Chairman, that the divisions proposed in this bill are both reasonable and necessary. From time to time, my hon. friends across the floor, in a critical sense, have used the phrase, "the trifurcation of the department". This plausible catch-phrase really conceals the realities of the situation. I want to point out the basic fact that the Department of Justice is not really being divided by the allocation of duties. The Department of Justice has dealt, and still will, with the problems relating to legislative draftsmanship, the conduct of government litigation, criminal prosecutions and the preparation of legal opinions for the government and departments of government. These have always been the main functions of the Department of Justice. In other words, the Department of Justice will remain the law firm for the government of Canada.

• (4:50 p.m.)

The various other agencies, such as the Royal Canadian Mounted Police, the penitentiaries service and the parole board, have from time to time become attached to the Department of Justice. They are, of course, obviously involved in the general area of the Department of Justice but they are removed in function from the department itself. They are, I would remind the house, branches which are for the most part self-administering. They have their own experts and come under the direction of the deputy minister of justice only in a very loose and general way. So that the Department of Justice, if this bill carries, will still remain a department which requires the services of lawyers practising law in the traditional sense.

I must say, Mr. Chairman, that the decisions which have been brought about are ones which we feel the circumstances demand. The war against crime and also the penitentiaries and parole services demand and deserve the attention of a separate and special ministry. I might remind the house of the fact that since the duties were transferred on January 1 to the office of the Solicitor General, steps have been taken to step up the efficiency of the Royal Canadian Mounted Police. With respect, Mr. Chairman, I would bring to the attention of the committee that in the year 1955 the total budget for the Royal Canadian Mounted Police was $35.6 million. For the current fiscal year, under representations made by the office of the Solicitor General, the figure has risen to a new high of $86.6 million, which is substantially more than double the figure ten years ago.

May I also say that a related reason for the removal of the Royal Canadian Mounted Police from the direction of the Minister of Justice is the fact that there has been an enormous increase in the duties of the Minister of Justice. This has seemed to escape the attention of many members of the house. I would put before you, Mr. Chairman, the fact

that the annual statutes of Canada for the year 1956, for example, comprised a relatively slim volume of 400 pages. In 1964 it had grown to more than 800 pages. The same observation is applicable to various statutory orders and regulations of the government of Canada which for the year 1965 filled a volume of almost 2,000 pages. Each of these must be passed upon within the Department of Justice before enactment. In a growing country like Canada, as the legal structure of government becomes more complicated increased demands are made on the Minister of Justice. There is an increased demand for more legal opinions and, of course, there are increasing demands in the field of litigation.

I turn now, Mr. Chairman, to the third reason, and while it has been put forth as a criticism of the bill I advance it in argument in support of the bill. I refer, of course, to the removal of the R.C.M.P. from the jurisdiction of the Department of Justice. Under the new bill there will now be a separation of the investigative functions of the police from the process of prosecution in the courts. It seems to me that to vest the authority for the investigative functions of government in the same person who is going to conduct the criminal process is foreign to the spirit of justice.

Under the proposals set forth in this bill the Royal Canadian Mounted Police will carry out its investigations under the authority of the Solicitor General. But, Mr. Chairman, the decision whether or not the facts disclosed by the investigation merit the commencement of a criminal prosecution will continue to be taken by the Minister of Justice in his capacity as Attorney General. Thus two sets of minds and two sets of responsibilities will be involved. It is my hope and my belief that the efficiency of the criminal law process will be improved as a result.

I believe that the merit in this separation of policemen and prosecutor will commend itself to the judgment of the house. I had the privilege recently of visiting the United Kingdom and made a special point of discussing this problem with officials in the home office. I would point out that the separation of the police and the attorney general has for some time been and continues to be the practice in the United Kingdom. There the home secretary is the minister responsible for the police, but the public enforcement of the criminal law in the courts remains the responsibility of the attorney general.

[Mr. Pennell.]

It may be interesting to note in passing, Mr. Chairman, that only last week the home secretary announced new plans for consolidating the 80,000 policemen in the United Kingdom under the office of the home secretary and not under the office of the attorney general.

It is also interesting to note in reviewing the practice in Great Britain that there has been from time to time a suggestion put forth that they set up a ministry of justice. But on no occasion has anyone suggested, if and when they do set up a ministry of justice, that the responsibility for the police be taken from the home secretary and placed under either the minister of justice or the attorney general. It has always been thought in the United Kingdom that there ought to be an officer other than the attorney general who is responsible for what they call preserving the Queen's peace within the realm, and that in general he should discharge the responsibility for the internal safety of the country, including security. It is on this basis that the home secretary has been responsible for the police since 1829.

I believe, Mr. Chairman, that by removing the police from the Department of Justice and placing them, together with the penitentiaries service and the parole board, under the office of the Solicitor General we can set up an office of crime and correction which can work effectively for this country. We live in an age of change and challenge, and it is my respectful submission in closing that this change will enable us to meet the challenge of our times.

Mr. Scott (Danforth): Mr. Chairman, I should like to thank the minister for his contribution to the debate and for his helpful explanations. I will read them in *Hansard* and continue the discussion tomorrow after I have had the opportunity of reading his remarks in detail. He will, of course, appreciate that it is not possible to review them on the spot. We will read them and give them the consideration they no doubt deserve.

Perhaps in the minute remaining the minister could tell me what he is actually going to do when an investigation is ordered. He says that he will conduct investigations under his jurisdiction but that the Minister of Justice will decide whether prosecution will take place. Does the Solicitor General exercise no discretion at all in this matter? Does he just collect the material and send it over to justice? Just how does this work from his point of view?

Mr. Pennell: Mr. Chairman, may I say that we will continue to operate in the way we have been operating since January 1 of this year whereby the Solicitor General will have responsibility for the administration of the police. They will collect the facts and will report back. Their reports will be delivered to the Department of Justice. If the Department of Justice feels there ought to be further investigation or if they request further information, then further investigation will be carried out under the authority of the Solicitor General in much the same fashion that investigations are carried out in the United Kingdom where 80,000 policemen under the direction of the home secretary work, I might say with respect, very effectively.

Mr. Lambert: Mr. Chairman, may I call it five o'clock? I have several questions I should like to ask.

The Deputy Chairman: Order. In order for the house to proceed to private members' business it is my duty to rise, report progress and request leave to sit again at the next sitting of the house.

Progress reported.

[*Translation*]

It being five o'clock, the house will now proceed to consideration of private members' business as listed on today's order paper, namely, notices of motions.

• (5:00 p.m.)

[*English*]

CONSUMERS AFFAIRS

PROPOSED ESTABLISHMENT OF DEPARTMENT

Mrs. Grace MacInnis (Vancouver-Kingsway) moved:

That, in the opinion of this house, the government should give consideration to the establishing of a department of consumers affairs.

She said: Mr. Speaker, on May 13 I tried to place the following questions on the order paper:

1. Are producers of basic foods such as milk, bread, eggs, meat, butter and margarine sharing in the margin of profit derived from recent rises in the price of such foods to the consumer?

2. If so, what is the percentage of profit margin going to

(a) the producer,

(b) the wholesaler, and

(c) the retailer in the case of (1) milk; (2) bread; (3) eggs; (4) meat; (5) butter; (6) margarine?

Three days later I received a letter from the Assistant Clerk as follows:

I am returning your proposed question for the order paper, which I have discussed with His Honour the Speaker.

It is Mr. Speaker's view and, as you know, mine that this question in its present form is not acceptable in that it contravenes the rule that a question must relate to the administrative responsibilities of the government, and it is our opinion that your question does not.

I regret the necessity of giving you this opinion.

As matters stand, Mr. Speaker, the consumers of this country at the present time have no department protecting their interests, no minister of the government to speak for them or to answer their questions. As I interpret this reply, there is at the present no one in the government in charge of a department to whom questions can be directed and who could answer them.

Questions about such matters are being asked by Canadian consumers from coast to coast. With the exception of questions relating to war and peace, the matter I now raise is exercising the minds of people from coast to coast more than any other as the cost of living rises. Consumers need protection. It is precisely because these questions cannot be answered, and because no government department exists which can answer them, that I have brought forward this resolution today on behalf of our party.

This is not something new. As a matter of fact, my colleague the hon. member for Danforth (Mr. Scott) brought up this question in 1964. My colleague the hon. member for Burnaby-Richmond (Mr. Prittie) brought it up in 1965, and the Canadian association of consumers has been bringing it up in its own way for the past six years. Today we are being flooded with mail from people across the country who are desperate and want to know what the government is going to do about the cost of living which is getting beyond their incomes. Nothing in this regard is being done by the government front benches.

From a host of other communications I select one dated March 15, 1966, that came to me indirectly from the town of Espanola, Ontario, which happens to be in the riding of the Prime Minister. It reads:

Whereas, the council of the corporation of the town of Espanola is concerned over the seemingly large increase in the price of goods and services over the last six to twelve months, and whereas these price increases will have serious effects upon people living on fixed incomes and hourly wage earners whose union contracts will not be negotiated within the next year or two;

Therefore the council of the corporation of the town of Espanola urgently request that our senior governments create a select committee to investigate the reasons behind the inflationary rise in prices and that this committee be prepared to submit recommendations for controlling inflation and insuring the standard of living in Canada.

That a copy of this resolution be forwarded to all Ontario municipalities, the Canadian Labour Congress and Mayors and Reeves Association for their endorsement and ask that they strongly urge their members of parliament both federal and provincial to support this resolution.

It is signed by the mayor of the town of Espanola. This communication, Mr. Speaker, could be duplicated many, many times across Canada. That is why we are asking at this time that there be created a full department of consumers affairs with a minister in full time charge.

This government has been accused of many colourful sins of commission. However, I believe the majority of the people of Canada are far more concerned with its sins of omission. One of the gravest of those sins has been the failure of the government to devote a single department to the protection of the consumers of this country.

It is becoming increasingly evident that the consumer needs protection. We live in a society where well organized groups of manufacturers, processors and advertisers, driven by the fierce competition of the market, use all the techniques of modern processing, packaging and advertising to sell their wares to the consumer. And the consumer is fair game. Consumers are badly organized and poorly informed, are conned, gulled, deceived and robbed, and there is neither protection nor redress. In fact, conning the consumer has become the avenue to affluence for a great many business concerns today.

I must say that certain things have been done to protect the consumer. Bodies within the government exist for consumers' protection. For instance, the Department of Trade and Commerce has its division of weights and measures. The Department of Agriculture has its branch dealing with consumer information and also its meat inspection section. The Department of Fisheries has its consumer branch and also an information section. The Department of National Health and Welfare has a food and drug directorate. The Department of Justice has its anti-combines legislation. These activities scattered throughout various departments of government, Mr. Speaker, should be brought together and put under one department as we have suggested.

[Mrs. MacInnis (Vancouver-Kingsway).]

We want to see the creation of a prices review board and a consumers' bureau where representations and complaints by consumers may be made to one department coming under one minister who, alone among the other ministers heading departments of government, will speak for the consumers of this country. At the moment they have no spokesman.

It is interesting to note in passing that in the United States at this time a New York Democrat is introducing a bill embodying exactly similar concepts to those I have outlined. In the United States government 33 agencies devoted to bits and pieces of consumer protection have grown like an undersized Topsy. The new legislation seeks to place those agencies under one department. In the United States as in Great Britain they are far ahead of Canada in this field. President Johnson has been sending messages to Congress regarding consumer protection and the tightening up of legislation for several years now.

In Great Britain a housewives' charter was introduced earlier this year. Its passage into legislation was interrupted by the recent election over there but it will be proceeded with again. It seeks to protect the consumers. We need a consumers' bill of rights in Canada. If I were to summarize very briefly what I think those rights should be they could be brought under four headings: First, the right to safety and quality; second, the right to truthful information; third, the right to a dollar of stable purchasing power and, fourth, the right to be heard.

I will not say very much about the first right, the right to safety and quality, because in the main I think our government departments are doing fairly well in that regard. Also, information is available from voluntary associations such as the Consumers Association of Canada. We have not too many complaints regarding such things as safe toys for children, inflammable goods and so on. However, we are concerned about the second right.

• (5:10 p.m.)

First, we need more truthful packaging. We have already dealt in this house with the bacon striptease where the manufacturers proved very prudish indeed when it came to letting enough of the bacon be seen for the housewife to tell whether she was buying meat or fat. I believe we have now reached the bikini stage but there is still something to be desired.

An hon. Member: Complete disclosure.

Mrs. MacInnis (Vancouver-Kingsway): Yes, complete disclosure, as the hon. member suggests. Then we need the size, shape and weight of packages to be clearly indicated. We need truthful labelling. I have had brought to my attention cases in which drugs did not carry labels giving clear information concerning their contents. Elements to which some people have dangerous allergies were not named. This information should be given plainly.

Another thing which has become increasingly obvious is the need for truthful information about the cost of credit. The whole question of consumer credit is one which is full of trouble for consumers. In the United States Senator Paul Douglas is introducing a bill at the present time in an attempt to deal with this problem. He calls attention to the huge toll which is being taken by credit gougers. I wish I had time to quote a few examples. Here is just one. Senator Douglas has put on record the case of a woman who bought a couch for $300 from a solicitor at the door. The buyer paid $12 every two weeks for two years. The total finance charge was $324 or $24 more than the cost of the couch. The finance charge rate, amounting to 107 per cent, was, of course, never mentioned when the couch was sold.

Maybe things are not as bad as that in Canada. But who would dare tell us what the facts are in Canada? They are not available to us through any of our channels of government at the present time.

Some of the consumer associations have urged the necessity for imposing a cooling-off period during which those who have been exposed to high pressure salesmanship practices might have a chance to reflect, a provision whereby a period of time, possibly three days or more, would have to pass before any contract became valid.

Fourth, we need truthful advertising. In this connection I should like to refer to a letter received by the hon. member for Burnaby-Richmond. The writer of the letter ended up paying $1.64 for a box of detergent, the price she usually pays in Richmond where she lives, despite the fact that there was supposed to be a price mark-off of 15 cents. The store, she found, had raised the price to $1.79 and then deducted the 15 cents. She says in her letter:

> To my mind, it's as clear as black and white. The manufacturer offered me a 15¢ reduction on its product. I did not receive it. The store did. I am fed up with these mark-offs, coupons, and crazy, mixed-up price markings and feel something should be done about them. Reductions are not being passed on to the public, if that was the intention to begin with.
>
> I have discussed the matter with the store and the soap company, and also written a letter to the paper here in Vancouver. This is all I feel is open to me, but I am hoping you can do something about this situation which is happening over and over again.

I am hoping the government will do something about it one of these days because these things are happening repeatedly and by and by the consumers will take measures through organization which will force the government to do under duress what it could and should do now as an enlightened act of policy.

I turn now to a need which is particularly pressing. The consumer has a right to a dollar of stable purchasing power. President Johnson used exactly this term in one of his messages to Congress. His words were:

> The consumer has a right to a dollar of stable purchasing power. I pledge to defend that right with all the ability and determination at my command.

Consumers across this country know that the price index has risen 4 per cent compared with the level in April, 1965, and that the most notable increases affect food, clothing and rent, the rock bottom essentials for families across this country. The consumers want to know why these increases have occurred. Are they justifiable? If so, what can be done for those living on low incomes? If not, what can be done to stop them?

This is why the New Democratic party proposed at this session the establishment of a prices review board as an integral part of a department of consumer affairs. I think the association of consumers has done a fine job in many fields, but I believe that today the stabilization of prices is one of the most important tasks before us. Unless the government is prepared to incorporate such a review board in a department of consumer affairs, everybody will be left unprotected.

We are proposing this price review board, first, to hear and inquire into complaints of unjustifiable price increases. Second, we believe that where price rises are intended, in the case of household necessities, manufacturers and processors should be called before the board to justify these increases, failing which no increases could be made.

We claim too that consumers have the right to be heard. We want a consumer bureau established where people can get information, lay complaints, and initiate action by the government with regard to grievances.

I recognize that this will not be easy. I am aware that jurisdiction is divided between the federal government and the provinces. But I also know that the days when administrations could play football between provinces and the federal government as a means of doing nothing are gone. On a host of issues the urgency of the situation has compelled the federal government to go to the provinces and say: Here is the problem; how are we to share this responsibility and provide what is necessary by way of legislation? This could be done in connection with a department of consumer affairs.

I wish to draw my remarks to a close at this point because I want to leave time for further discussion. One hour is a very limited amount of time available on occasions such as this for discussion of a subject of such magnitude. Consumers are spending each year $29 billion across this country, which is big business. Indeed, instead of asking only for one department of consumer affairs there should be a good deal more activity on the part of the government in connection with this matter.

I recognize that this resolution will go to the bottom of the list. But I urge that for a change it should not be forgotten. The kindest thing would be for the government, as it has done on so many other occasions, to steal this plank from our platform. We would love to have it stolen. If they would bring in a bill on these lines next year they would have our full support.

• (5:20 p.m.)

Mr. D. R. Tolmie (Welland): Mr. Speaker, I feel that all citizens realize the imperative need to protect the Canadian consumer, and government intervention on a federal and provincial level is absolutely necessary to achieve this end. It is a truism that government with its powers and resources to investigate, regulate and advise, with its legitimate concern for the welfare of our people, has enacted legislation to protect them in many spheres such as labour, pensions, transport and medicare. The realm of consumer protection is one which most certainly cannot be ignored and it should be obtaining increasing governmental attention. The quality and price of what we wear, what we eat, what we drink, all our material needs, are of prime concern to the federal government and rightly so.

The intent of the motion before the house is a most laudable one and the mover is to be congratulated for her concern about matters which affect the daily lives of our people.

[Mrs. MacInnis (Vancouver-Kingsway).]

However, though not opposing the well-intentioned spirit of the motion may I say that I support the principle advocated but not the means spelled out in the wording of the motion. I do not feel the government—I emphasize "at this time"—is justified in setting up a complete department of consumers' affairs and I oppose the proposal on a number of grounds.

There is a growing tendency to form departments for new areas of interest such as education, and at the present time the government is in the process of creating several new ministries. My opposition to the proposal arises because of my aversion to the compounding of bureaucracy. If a department were created, all the attendant expense of the creation of a new ministry and staff, though initially relatively modest, would follow the alarming habit of ballooning to a much greater degree than originally contemplated.

There is not only the expense involved and the draining of personnel from other departments. I feel there is a real and growing danger of an ever-increasing multiplicity of departments with ever-growing duplication and overlapping which militate against the efficient handling of the problems for which they were created. I submit that another cabinet post with all the necessary related machinery simply does not appear justified under the present circumstances.

Furthermore, the Consumers Association of Canada has done a great deal of good work. Through the imposition of grading systems and its testing procedure and in many other ways it has protected the consumer. With the formation of a federal department the completely detached work of this association might be impaired. One reason it has been so effective stems from the fact that it has operated independently of all external pressures.

The contemporary tendency is to impose ever-widening responsibilities upon government departments which in turn are more susceptible to lobbies and influences from without. There is no assurance that a government portfolio would strengthen the consumer association's very important and valuable program which has contributed so much to the protection and welfare of Canadian citizens.

The argument against a separate department at this time does not mean that I feel no further action in regard to consumers' affairs should be taken. Quite to the contrary. I submit there is a drastic need for a much

intensified campaign to protect our consumers, but I submit this can be done within the existing framework of government by strengthening our present consumer protection services, amending legislation such as the Criminal Code or the Income Tax Act as required and implementing new laws and regulations regarding consumer credit.

I would suggest that this could be done by the creation of a bureau in an existing department, such as the Department of National Health and Welfare, which would have jurisdiction over consumers' affairs and be especially empowered to speak on their behalf and co-ordinate the activities of departments such as trade and commerce, agriculture, justice, and health and welfare, which now have services protecting consumers. This idea does not preclude the possibility of ultimately creating a department with its own minister if the problems and complexities of consumer matters warrant it.

Such a bureau would have the responsibility of improving and updating the consumer protection agencies of other departments, providing facilities for research and investigation into consumer protection, providing a current statistical record of consumer information and providing facilities for consumer complaints to be heard and properly and promptly analysed for remedial action.

This agency would have the responsibility of examining present legislation which protects the consumer against abuses and, in addition, could suggest the enactment of new legislation to prevent deceptive and fraudulent business practices. For example, something could be done in regard to truth in packaging legislation, improved testing procedures on products, more rigid laws protecting the consumer against the marketing of goods hazardous to health of life, laws providing that the consumer is to be rightfully informed and protected against fraudulent, deceitful or grossly exaggerated and misleading advertising or labelling.

This agency could delve into the entire question of consumer credit. Evidence shows that the ordinary consumer in most cases has no idea whatsoever as to the interest rate he is paying and there is conclusive evidence that in many instances the consumer is paying an exorbitant interest rate which is concealed through lack of disclosure, hidden bonuses, discounts and special charges.

The whole question of credit for the consumer is of paramount importance and the government quite properly set up a joint committee of the house and Senate on consumer credit. Easy credit without any real indication of harshness of terms and the rate of interest does a real disservice to our citizens and to our country. The economic hardship and domestic dissention caused by the beguiling allure of "Buy now and pay later" cannot be estimated.

The evil is not in the availability of credit but in the degree of access to credit and the lack of appreciation of many people as to the actual eventual cost of the article purchased. This bureau would have the duty of sifting proposed legislation which would have the effect of preserving the rightful place of credit buying but at the same time would correct flagrant abuses now existing.

I feel that the question of consumer protection is very apropos under present circumstances of creeping inflation. Economists differ as to the degree of inflation and methods to combat it but not on the proposition that there are inflationary trends. I suggest that one does not have to be a learned economist to realize that there is some measure of inflation. Any housewife who has to buy the staples of life, bread, milk and vegetables, knows that prices are becoming alarmingly high. I personally, and I am sure other members of the house, have received strong representations in regard to the high cost of living and I submit that the time has come when a commission on prices should be established.

I am not for a moment suggesting that price control should be introduced which, of course, involves wage control, but I strongly contend that a price commission or board set up by the federal government to investigate price increases would be a real safeguard to the consumer and a guardian for our entire economy.

The duty of this commission would be to maintain a rigid scrutiny on the general rise in prices, with particular attention to any drastic upsurge in the price of any particular commodity. Its function would be chiefly that of a watchdog and information obtained could be made available to the government which in turn, if it believed it to be in the national interest, could take the necessary corrective action. This commission would not have the power of enforcement but as a source of information for the government it could be of great value.

This is no novel departure, and a form of such price vigilance is now being practised in

the United States of America. It seems to me to be only prudent to have price information available in this period of inflationary trends. It is a precautionary method. It is a preventative measure and not a cure in itself. When this country is threatened with the spectre of inflation, surely any measure to assist in gauging its imminence and thus providing an opportunity for immediate remedial steps is worthy of consideration.

• (5:30 p.m.)

In summary, as I stated at the outset I agree with the motion in principle but at the present time I suggest that a section of an existing department could be utilized to perform the functions that the mover envisages for the new department and over which it might have jurisdiction. In this way the same results could be achieved without the considerable expense and work that the creation of a new department would entail. If after the creation of such a bureau its work warranted a separate department, then the next logical step would be its creation.

The government shares the concern of the entire country and the members of this house in regard to the plight of the consumer who in effect is buyer and producer alike. Augmenting the considerable work done by the joint committee on consumer credit, the establishment of a consumer bureau within an existing department and the creation of a price commission as a sentinel for the Canadian people on constant vigil, guarding against inordinate and dangerous price rises in any segment of our economy, would, I feel, be a wise move in the government's continual concern for the welfare of our people.

Mr. E. Nasserden (Rosthern): Mr. Speaker, the problem in relation to consumer affairs at this particular time in the history of Canada is, of course, one of the most important that this country faces today and one which concerns everyone here in the house and across the nation. The hon. member for Vancouver-Kingsway (Mrs. MacInnis) should be commended for bringing forward this motion. Personally I feel it is not broad enough to meet the challenge that faces the people of this country today and particularly those who live in urban areas. I do not intend to go over the remarks that have been made by those who have referred to truth in advertising and consumer credit as these problems are recognized by all inside and outside the house as problems in respect of which action should

[Mr. Tolmie.]

have been taken earlier than it appears might be taken.

Rather than a department of consumer affairs I should like to see the establishment of a department of urban affairs to take care of problems not only in relation to consumer credit or credit as a whole but problems in relation to taxation, housing and recreation in the new urban areas that are emerging across this country. Everyone has heard or read the printed word about urban sprawl. While C.M.H.C. and the National Housing Act provide some leadership in the planning for these new communities there still remains a good deal to be done in regard to planning for the great expansion of urban communities.

I was intrigued by the remarks of the hon. member for Welland (Mr. Tolmie) when he referred to creeping inflation. I do not think we have creeping inflation in Canada today but rather galloping inflation. Every time we turn around we see an increase in the cost of living largely brought about by the imposition of taxation by the government in the face of opposition by other parties in this parliament. I am sure the hon. member for Welland was sincere in his remarks.

If the government wants to do something about this situation it should remove the sales tax immediately. This would do a great deal to alleviate the difficult situation in which everyone finds himself because of the high cost of consumer goods. It is interesting to note that today members on the government side of the house refer to inflation. Not long ago they did not like to admit that as a result of the imposition of the sales tax there occurred a tremendous increase in the cost of almost everything that people have to buy during their daily lives.

While I want to congratulate the hon. member for Vancouver-Kingsway on her motion I should like to reiterate the belief that what Canada needs and what this government needs is a department of urban affairs to deal with the much broader aspect of the problems which face people in urban areas.

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am pleased to have the opportunity of speaking on this motion and perhaps my first words should be an expression of my appreciation to the hon. lady for allowing this motion to stand much longer than she probably wanted in order that I would have such opportunity.

The question of consumer affairs is one that has interested me as a member of the committee on consumer credit. The first bill which I introduced in this house as a private member on the other side was with regard to the unconscionable transactions relief act.

I should like to put forward several observations, first about the remarks of the hon. lady regarding the establishment of a department of consumer affairs and at the same time to refer to a brief which was presented by the Consumers Association of Canada on April 12, 1966.

The hon. lady stated at one stage that there was not one single department devoted to consumer affairs in Canada. She thereafter, in part, denied her own observation by making the point that there were actually a great many different federal departments and laws concerned with consumer matters. She gave a partial enumeration of them and perhaps I can carry on the enumeration. There are the fair trading provisions as well as the monopoly provisions under the Combines Investigation Act. There is a false advertising section under the Criminal Code. There is, of course, a food and drug directorate, to which she made reference. There are Canada grade standards regulations maintained by the Department of Agriculture and, as the hon. lady stated, there is a Weights and Measures Act under the jurisdiction of and exercised by the Department of Trade and Commerce. There is, of course, legislation with regard to consumer lending and, more particularly, interest. I refer to the Interest Act in so far as it does provide protection, and the more comprehensive piece of legislative machinery, the Small Loans Act, both of which are administered by the Minister of Finance through the office of the Superintendent of Insurance.

I should acknowledge at once that there is great appeal to the argument that one should consolidate all these fairly diverse activities under one department, but I submit that while this argument does have appeal it makes more sense to continue to have particular functions carried out by the departments which have the expertise to deal with them. For example, under the Department of National Health and Welfare there is already assembled a body of expertise, comprising a groups of experts for the purpose of advising the government on health security measures. To move at least part of that group to a separate department of consumer affairs could only involve in the long run, duplication of responsibilities in the two departments of government. This would happen in the same way with reference to the Combines Investigation Act if responsibility for it was given to such a department although this perhaps was not suggested by the hon. lady but rather by the consumers association. I would point out that fair trade practices legislation is not just related to consumers but also to other interests in the country such as retailers who may be in competition in the market with individuals who are engaged in unfair trading practices. It is of interest to other manufacturers who may be concerned about monopolistic or combines situations involving their competitors. And it is of general public interest that there be full competition between firms operating in Canada so as to reduce the Canadian cost of manufacturers products, placing them in a competitive position on foreign markets. In other words, there is real merit to making sure that the particular function of expertise should be kept in one place and that the broad area of responsibility should concern itself not just with consumer interests but with all interests at other levels of the economy and with persons other than in their capacity as consumers.

• (5:40 p.m.)

In the same way, with regard to the Canada grade standards regulations which are administered by the Department of Agriculture I think we should bear in mind that while the grade standards regulations do have the effect of benefiting consumers in the availability of better quality products, their initial purpose was not to benefit the consumer but rather to benefit the producer in stimulating the production of better quality products and thus maximizing returns to individual producers. Therefore my first argument against the particular modus which the hon. lady has put forward is that you would be taking from individual government departments at least some of the expert advice they have available and which inevitably they would have to replace. Also, as the hon. member for Welland (Mr. Tolmie) pointed out, what we would really be doing would be duplicating the bureaucracy. I think it is clear on the basis of past experience that problems do arise in this regard. There would be a conflict of jurisdiction as to the particular problem, whether it be a consumer problem or one, for example, concerning fair practices at the manufacturing level.

Proposed Consumers Affairs Department

I would hate to leave the question on a purely negative note and would like to put forward my own proposal with respect to the matter of consumer protection, which differs from that put forward by the hon. lady and the hon. member for Welland. The hon. lady referred in her remarks to some of the difficulty caused by reason of the fact that jurisdiction over the matter of consumer affairs is divided between the two levels of government. I had the opportunity previously to observe, and would like to take the opportunity to say again, that there is no real logic in considering a consumer transaction on the basis of the jurisdiction between the two levels of government in Canada. For example, the hon. lady referred to a cooling off period. I would advance as my opinion that it is unquestionable that the question of a cooling off period on a door-to-door sale is one that falls under the jurisdiction of the provinces. In the same way the question of warranty as to the sound operation of a particular apparatus is clearly a matter for the provincial sale of goods acts and is so dealt with at the present time under their legislation.

If the consumer is buying a piece of hard goods on time, his initial rights and obligations are established under the conditional sales act or perhaps the chattel mortgages act of the particular province, and in either case his rights and obligations are determined by provincial law. One of the most serious problems and one which lawyers in the house will recognize, I am sure, as occurring most often and coming to their attention, is that raised by the exercise of rights in default, what steps must be taken in order to recover the particular piece of hard goods, the refrigerator, car or television set, and what is the obligation of the purchaser after that. This again falls under provincial jurisdiction.

On the other hand, some aspects of this problem—this matter has been referred to—now fall under federal jurisdiction. The question of the obligation to state interest under a contract, as already provided by the federal Interest Act, is a matter within federal jurisdiction and the federal government has with the consent of the provinces—I think we must recognize this—in the past exercised control in respect of small loans to people for essentially consumer uses under the Small Loans Act, which again is federal law.

The suggestion I should like to make is that we should consider the establishment at

[Mr. Macdonald (Rosedale).]

the federal level of a semi-autonomous body like the Restrictive Trade Practices Commission, which would have the responsibility of carrying out at the federal level, and through delegation at the provincial level, surveillance over the field of consumer affairs.

My inspiration in this regard comes, of course, from the consumer council which is now in effect in the United Kingdom and was set up by the British government as a result of the Molony report, that is to say, the final report of the committee on consumer protection which was published in July, 1962. The operation of the consumer council can be best summarized by a brief reference to the annual report for the year 1964-65. I quote from the foreword by the chairman of the council:

> Our aims are twofold: first, better self-protection by consumers through education and information; second, more safeguards for consumers through better codes of practice in industry and commerce or by legislation, where this will be the only effective way to provide protection against unscrupulous salesmen or manufacturers.

A little later the chairman referred to the Molony report as follows:

> The Molony committee, in their report on consumer protection, said that it should be the duty of the council "to secure presentation of the consumer viewpoint at high national levels." We have found increasingly that government departments and others are consulting us on matters affecting consumers. We cannot pretend, of course, to represent the views and attitudes of all the consumers in the country. In some cases, however, we can base our comments on data which we have derived from special inquiries, such as field surveys; in others we present the collective view of a body of people who from various angles are informed about consumer matters and interests. The Molony committee in this context mentioned particularly the monopolies commission and the restrictive practices court.

I am suggesting that it would be possible to establish a federal entity of this kind to which the provincial governments, as a result of arrangements between the federal and provincial governments, could delegate the responsibility for carrying out such provincial legislation as may be related to consumer affairs. There are unquestioned difficulties, which the hon. lady inclined to make light of, in the division of jurisdiction between the two levels of government. But it is also clear that by a proper process of delegation to an entity of this kind, individual provincial governments could give the responsibility to this federal entity for the purpose, first, of carrying out education—that is, education of the buying public on these very important consumer questions—and, second, the purpose of

assuring the better carrying out of the objectives of consumer protection whether they be objectives as stated in existing law or statute or general objectives which the consumer council might recommend should be made law either at the federal or provincial level.

The Molony report went to some pains to make it clear that they were not recommending a kind of a consumers' complaints bureau. At page 280 of the Molony report they made this observation:

> What we reject is the idea that a consumer council should be under duty to receive, consider or handle individual complaints or to attempt to adjust them.

Paragraph 855 of the report, briefly stated, indicated the following functions?

> 1. Collecting information about consumer problems.
> 2. Considering what, if any, action is required.
> 3. Promoting that action.

I think it would be very useful for an entity of this kind to have the responsibility of surveying the consumer field generally in Canada and deciding what, if any, protection is necessary for consumers either by changes in the law or through the vehicle of prosecutions or other legal action under existing statutes.

One of the real difficulties involved in many of these consumer problems—and it is not unique to the consumer field; it applies to many other legal questions—is that the mere scale of the problem in the individual case may not justify legal action by the person involved. Therefore even the person who has had a bad deal in the purchase of an electric fan, television set or refrigerator is inclined to take the attitude that he should not throw good money after bad in trying to enforce the warranty and bring to justice the particular unscrupulous salesman or manufacturer who may have been responsible for selling the article.

• (5:50 p.m.)

What a consumer council could do, where practices of a fraudulent nature were disclosed and certainly where there was a pattern of misleading sales practice, would be to take whatever legal action might be involved such as the rescinding of the contract in a number of particular cases. This action, of course, would be brought at the expense of the council in order to establish the kind of practices which would not be enforceable or, conversely, the kind of practices which could result in the contract being upset. In this way the consumer council could take the initiative to have the court declare standards where now so often in these consumer cases the consumer in question decides not to proceed with any particular action.

I have made reference already to the fact that I do not accept the hon. lady's suggestion with regard to the establishment of a separate department. I have suggested that perhaps a more effective way of achieving consumer protection would be a separate entity, a semi-autonomous entity, to which responsibility for enforcement of consumer legislation at the federal level could be given by this parliament and perhaps by delegation by the provincial governments.

I should like to express my approval of one suggestion in the brief of the Consumers Association of Canada. I am referring to page 3 of the brief where reference is made to the establishment of an interdepartmental committee of government departments which are responsible for enforcing various aspects of consumer legislation. For example, I have made reference to the fact in my earlier remarks that no less than six different parts of government are involved with the enforcement of consumer legislation. They are the Departments of Finance, Trade and Commerce, Agriculture, National Health and Welfare and the combines investigation branch which under the bill currently before parliament is to become the responsibility of the Registrar General in the general grouping of business matters under one department.

The sixth, of course, is the Criminal Code, the actual enforcement of which is not the responsibility of the federal government but the responsibility of the provinces. I say it would be very useful that there should be an interdepartmental committee on a continuing basis within the federal government in order that certain practices or patterns of practices which appear may be brought to the attention of the appropriate departments. For example, a problem might involve health and would be referred to the Department of National Health and Welfare, while any weights and measures aspect of the problem should be referred to the Department of Trade and Commerce. Merely because part of the problem came under another department we would not necessarily run the risk of its falling between two stools.

I hope the government will give serious consideration to the establishment of an interdepartmental committee on consumer affairs for the purpose of making sure that

the attention of federal departments is directed in this way. I am not suggesting, however, that this is any substitute for the kind of tribunal, if you like, or semi-autonomous organization which could assume its own direction and assume responsibility for having a general regard for consumer affairs.

I agree, Mr. Speaker, that there has been a general concern in Canada about consumer matters. We in Ontario have just had the benefit of the final report of a select committee of the Ontario legislature on consumer credit. The province of Manitoba over the past three or four years has been giving very close scrutiny to those aspects of its public law which affect consumers and business practices generally. The province of Nova Scotia has already carried out one of these studies and has received a report. This in turn is just a reflection of the concern of the elected representatives, a concern in turn communicated to them by their constituents that there should be a fresh look by government at the problems of consumer matters.

Perhaps I could close on a final, historical note. It is of interest to observe paragraph 892 of the Molony report:

> Consumer protection is no new idea. The intervention by the state to restrain deceitful trading practices and promote honourable standards in commerce has a long history.

The Molony report goes on to quote a twelfth century example. It, therefore, is not a novel proposition we are putting forward. What we are really talking about today is not a general principle, that is, whether there should be intervention by the state to protect individual consumers; we are not here considering whether or not the maxim *caveat emptor* is now to be replaced with a new philosophy. We have already accepted the philosophy of state intervention to protect consumers. We are really talking about the formal organization to carry out those principles.

Mr. H. C. Harley (Halton): Mr. Speaker, I do want to make a few remarks at this time but I shall be brief. I really want to deal with another aspect of the matter which has not been discussed here. I should like to deal with the health point of view rather than the economics of the situation which seem to have taken the time of most members of the house. I noticed that in the brief presented by the Consumers Association of Canada there is reference to the fact that the main function of such a group would be safeguarding the economic tradition of consumers.

I only have one minute left so I will restrain myself to the discussion of one point, namely, labelling. During the last session of parliament a special committee on food and drugs went into this question, particularly the marking of insecticides, pesticides and drugs. One problem that has cropped up now has been the labelling of foods. We hear a great deal from people who suffer from allergies and who have to be on special diets, such as egg-free diets, gluten-free diets and sugar-free diets for diabetics. A great deal of material is being circulated to the end that such people will receive some assurance that the label on every food product will indicate the content of that product. I believe everyone in this house would agree with that principle.

I am pleased to see that the bakery products business, as the result of a voluntary approach by the food and drug directorate, is now labelling at least 50 per cent of the products now on the market by listing the total ingredients.

The Acting Speaker (Mr. Rinfret): Order. The hour for private members' business has now expired.

BUSINESS OF THE HOUSE

Mr. Bell (Carleton): Mr. Speaker, in the highly unusual circumstance of no minister being in the house to announce the business, I wonder which parliamentary secretary—I hope the most attractive one—will be announcing the business for tomorrow?

Mr. Stewart: Mr. Speaker, I should be glad to defer to the parliamentary secretary to the Minister of National Health and Welfare but that the business I have to announce is mundane. Yesterday, as recorded at page 5489 of *Hansard*, the Minister of National Revenue set forth the program of business for today. It is the proposal of the government house leader, I understand, that we should continue this program of business tomorrow.

At six o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME V