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CABINET MINUTES

A meeting of the Cabinet was held in Room 340-S, House of Commons, on Tuesday, March 30th, 1965, at 10:15 a.m.

Present:

The Prime Minister (Mr. Pearson) in the Chair,	The Solicitor General (Mr. MacNaught),
The Secretary of State for External Affairs (Mr. Martin),	The Minister of National Health and Welfare (Miss LaMarsh),
The Minister of Transport (Mr. Pickersgill),	The Minister of Justice (Mr. Favreau),
The Minister of Finance (Mr. Gordon),	The Minister of Citizenship and Immigration (Mr. Nicholson),
The Minister of Trade and Commerce (Mr. Sharp),	The Leader of the Government in the Senate and Minister without Portfolio (Senator Connolly),
The President of the Queen's Privy Council (Mr. McIlraith),	The Minister of Forestry (Mr. Sauvé),
The Minister of Northern Affairs and National Resources (Mr. Laing),	The Minister of National Revenue (Mr. Benson),
The Secretary of State (Mr. Lamontagne),	The Associate Minister of National Defence (Mr. Cadieux).
The Minister of Public Works (Mr. Cardin),	
The Minister of Fisheries (Mr. Robichaud),	

The Secretary to the Cabinet
(Mr. Robertson),
The Assistant Secretaries to the Cabinet
(Mr. Stoner),
(Mr. Loughhead),
(Mr. Wall).

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Business Of The House

The President of the Privy Council, as House Leader, said that the opting out legislation should be dealt with that day to be followed by Interim Supply and Supplementary Estimates. It was difficult to foresee the future timetable but he hoped that it would be possible to conclude the debate on the Throne Speech before Easter. It was important to ensure that motions for concurrence in the report of the Special Committee on Procedure and Organization did not delay final parliamentary approval of the essential legislation which the Government hoped to complete at the current session.

The Cabinet noted the comments of the House Leader with respect to the timetable of the House.

Road Questions- Quebec "La Route" (Previous Reference March 25)

The Cabinet had for consideration a Report of the Cabinet Committee on Communications and Works, Cab. Doc. 161/65 of March 26.

The Minister of Trade and Commerce said that the Cabinet Committee on Communications and Works had agreed to recommend to the Cabinet that the federal government bear the entire cost of financing the road in Montreal known as "La Route". "La Route" performed three important functions: as a further access to the Champlain Bridge; as an important

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access to Expo '67; and as a further approach to downtown Montreal from the Eastern Townships Auto Route. Since the Trans-Canada Highway would not be built by 1967, "La Route" was an essential connection between Highway No. 2 and Expo '67.

The Committee had also considered a related problem arising out of Quebec's dissatisfaction with the Trans-Canada Highway Agreement. Quebec considered that the Agreement imposed unfair expropriation costs on the provincial government arising out of the routing of the highway through the heart of Montreal. The Quebec government maintained that they required an additional \$12 million contribution from the federal government and that this should take the form of the federal government assuming financial responsibility for a road connecting the northern approach of the Champlain Bridge with the Trans-Canada Highway. The Committee had considered this request should not be met and the agreement to finance "La Route" was based on the understanding that this other request of the Quebec government should be turned down.

In the course of the discussion the following points emerged:

- (a) As part of the proposal to finance "La Route" the federal government would retain control of Champlain Bridge and the tolls would be set to amortize the cost of the bridge and "La Route" over a period of roughly 20 years. A proposal to this effect had been developed by the National Harbours Board. It was not expected that the decision to retain the tolls would create serious political problems in the area.
- (b) The Quebec government continued to be reluctant to sign the Trans-Canada Highway Agreement unless further financial assistance beyond that envisaged in the financing of "La Route" was forthcoming. Unless they signed by March 31, payments to which they would be entitled under the Agreement could not be made to them out of funds that had been voted in the current fiscal year.
- (c) The decision of the federal government to finance "La Route" based on retention of the tolls on Champlain Bridge would result in economies for the federal government over the long run.
- (d) It was important that the announcement of the government's decision to finance "La Route" should be carefully phrased so as to underline the unique character of this road and forestall criticism from other areas of Canada.

The Cabinet agreed with the recommendation of the Cabinet Committee on Communications and Works that the federal government bear the entire cost of "La Route" (a road project connecting both the Champlain Bridge and a Provincial road with the University Street Extension at

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the middle of the Lachine Canal, and passing both the main North Shore parking lot and the entrance of Expo '67) which should be treated as an additional access road to the Champlain Bridge under the jurisdiction of the National Harbours Board, and that this undertaking be subject to the following conditions:

- (a) that the tolls on the Champlain Bridge be continued at a level which will permit amortization of the Bridge including "La Route" over a reasonable period of time; and
- (b) that the federal government assume no financial responsibility for the Turcot Interchange connecting with the Trans-Canada Highway and that the Quebec government be so informed when the decision regarding "La Route" was conveyed.

Road Questions, Quebec - National Capital Area
(Previous reference, March 25)

The Cabinet had for consideration a memorandum of the Secretary of the Cabinet, Cab. Doc. 162/65 of March 10.

The Minister of Public Works said that Mr. Pinard, the Minister of Roads from Quebec, would visit Ottawa to discuss various questions relating to financing roads in the Montreal area. Since the government had decided to take a negative position with regard to the Quebec request to finance the Turcot road at an estimated cost of \$12 million, ministers had been considering whether other federal expenditures on roads in Quebec by the National Capital Commission might be justified. There was a current proposal to extend Highway NO. 8 through Hull and along the Ottawa river. The National Capital Commission would like to have this section of the road as part of the N.C.C. Driveway. A submission to the Treasury Board had been made by the N.C.C. the previous day and the Board had agreed that the federal government might participate in the cost of expropriation of the land for the parkway through contributing \$3.4 million worth of land now federally owned and through sharing with the province 50 per cent of the cost of the remaining expropriation. The Treasury Board had agreed that the N.C.C. might also finance the cost of landscaping which would bring the total federal contribution to roughly \$10.25 million.

Mr. Cardin said that the question had been raised as to whether the federal government should assume 100 per cent of the cost of expropriation which was the formula followed with respect to the Queensway in Ottawa, which was also a part of the highway system of the province concerned.

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In the course of the discussion the following points emerged:

(a) National Capital Commission projects had resulted in a greater share of benefits for Ontario than Quebec.

(b) The expropriation of land for the Queensway and for the proposed extension of Highway No. 8 were not precisely comparable; in the case of the Queensway the federal government had already been under certain obligations with respect to expropriations arising out of the right-of-way along the railways which had previously occupied the route of the Queensway. Moreover, the width of land expropriated for the Queensway was 180 feet while a width of 350 feet was envisaged for Highway No. 8.

(c) While rural and urban communities in Quebec had been co-operative with the N.C.C. the provincial government had raised certain difficulties with respect to some N.C.C. operations, particularly those affecting parks. In the current negotiations with respect to Highway No. 8 it would be useful to seek the full co-operation of the Quebec Government for N.C.C. projects in the future. Some ministers questioned, however, whether it would be possible or desirable to seek a firm commitment in these negotiations that the N.C.C. could operate in the future in Quebec on the same terms as in Ontario.

The Prime Minister said that it was important to ensure that whatever proposal was worked out with Quebec with respect to Highway No. 8 should involve no discrimination as between Ontario and Quebec provided that circumstances were similar.

The Cabinet agreed:

(a) that negotiations might be entered into with the Province of Quebec with a view to the N.C.C. participating in the cost of extending Highway No. 8 through Hull, initially on the basis of the formula approved by Treasury Board, i.e., the federal government would contribute \$3.4 million in federally owned lands and share 50 per cent of the remaining cost of expropriation with the Quebec government; this, together with landscaping costs to provide a total federal contribution of roughly \$10.25 million;

(b) that in the discussions with Quebec the federal negotiators should be authorized to explore further solutions with respect to financing the expropriation of the lands in question on a basis which would be consistent with policies followed by the N.C.C. with respect to the expropriation of lands for roads in similar circumstances in Ontario; and

(c) that the results of the discussions with the Province of Quebec should be referred back to Cabinet for consideration and approval before any final decision was taken.

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Sale Of Canadair CL-41 Aircraft To Malaysia

The Cabinet had for consideration a report of the Cabinet Committee on External Affairs and Defence, Cab. Doc. 159/65 of March 26 and a Memorandum from the Minister of Trade and Commerce, Cab. Doc. 116/65 of March 9.

The Cabinet agreed with the recommendation of the Cabinet Committee on External Affairs and Defence:

- (1) that Export Credits Insurance Corporation be authorized to advise Canadair Limited that credit insurance would be issued to cover the sale of twenty CL-41G5 aircraft to Malaysia on terms of seven years, if and when the company was able to secure a contract from the government of Malaysia;
- (2) that, in the event of a sale, an effort should be made to limit the possible foreign policy repercussions of Canadian Government involvement, as follows:
 - (a) Any public explanation of the element of government support for this sale should refer to trade and industrial considerations, not political or military ones;
 - (b) the government should, as far as possible discourage attempts to interpret the sale as part of the Canadian military assistance program for Malaysia, the conditional offer of jet training to Malaysia, if possible, not being related publicly to the sale of CL-41G5's;
 - (c) in order to restrict to a minimum the public intervention of the Government in this matter, it would be advantageous to use ECIC channels if credit insurance were to be provided, and to discourage any role by the Canadian Commercial Corporation with respect to the sale;
 - (d) the CL-41G5's should be exported without armament.

Tanzanian Request For Air Force Assistance

The Cabinet had for consideration a report of the Cabinet Committee on External Affairs and Defence, Cab. Doc. 159/65 of March 26 and a joint memorandum of the Minister of National Defence and the Secretary of State for External Affairs, Cab. Doc. 142/65 of March 17.

The Cabinet agreed, on the recommendation of the Cabinet Committee on External Affairs and Defence that:

- (a) approval in principle be given to a request from the Government of Tanzania for assistance in the organization of the Tanzanian

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Air Force in the form of transport equipment and training, which would constitute a five-year program involving expenditures over that period comparable in scale to the \$9.2 million German program;

(b) a military survey team be authorized to proceed to Tanzania to assess Tanzanian requirements for training and equipping a Tanzanian Air Force as a basis for the submission of detailed proposals for approval at a later stage;

(c) the Secretary of State for External Affairs be authorized to inform Tanzania that Canada is willing to consider the provision of training and equipment (in connection with the transport requirements) of the Tanzanian Air Force, subject to prior agreement on a program agreeable to both countries.

(d) adequate safeguards be included in any agreement with Tanzania to minimize the potential political hazards of an aid program and in any event Canada retain the right to terminate the program on short notice if circumstances warranted such action; and

(e) approval be given in principle for payment by Canada of agreed costs of training and equipment as a charge to appropriations to be sought by the Department of External Affairs.

Status Of Mid-Canada Line

The Cabinet had for consideration a report of the Cabinet Committee on External Affairs and Defence, Cab. Doc 159/65 of March 26 and a memorandum of the Minister of National Defence, Cab. Doc. 144/65 of March 23rd.

The Cabinet agreed, on the recommendation of the Cabinet Committee on External Affairs and Defence that:

(a) the remaining portion of the Mid-Canada Line be closed operationally, effective March 31st, 1965, as proposed by the Minister of National Defence in his memorandum to Cabinet of March 23rd; and

(b) interdepartmental consultations commence at once to determine the responsibility for existing facilities in support of continuing operations.

Visit Of Nuclear Propelled Submarine To Halifax

The Cabinet had for consideration a report of the Cabinet Committee on External Affairs and Defence, Cab. Doc. 159/65 of March 26 and a memorandum of the Minister of National Defence, Cab. Doc. 143/65 of March 22nd.

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The Cabinet approved the proposal of the Minister of National Defence that agreement be given to the visit of a U.S. Nuclear-propelled submarine to the Port of Halifax, on the understanding that the safety aspects were to be satisfactory to the Atomic Energy Control Board and that satisfactory arrangements had been worked out with respect to claims liability in the event of any nuclear incident.

British Press Coverage Of V Bomber Exercises In Canada

The Cabinet had for consideration a report of the Cabinet Committee on External Affairs and Defence, Cab. Doc. 159/65 of March 26 and a memorandum of the Minister of National Defence, Cab. Doc. 145/65 of March 22nd.

The Cabinet agreed, on the recommendation of the Cabinet Committee on External Affairs and Defence, that the British Government be informed that the Canadian Government did not think it appropriate that there be increased press coverage for Royal Air Force V Bomber Exercises in Canada scheduled for April and May, 1965.

Indian Claims Commission

The Minister of Citizenship and Immigration introduced a memorandum, concurred in by the Minister of Northern Affairs and National Resources, referring to Bill C-130, "An Act to provide for the disposition of Indian Claims", which was introduced in Parliament on December 14th, 1963, and recommending the setting up of an Indian Claims Commission. (Cab. Doc. 125/65, March 17th.)

Bill C-130 had, following first reading, been sent out to Indian organizations, bands, etc. for study, and a number of comments had been received which had resulted in certain amendments being made to the original bill. These changes, which did not affect the main principles previously approved, covered (a) the provision to impoverished bands of legal aid and research assistance in preparing claims and (b) the exclusion of Eskimos from the proposed claims legislation.

The matter of settlement of the Indian claims was of long standing and considerable research would be necessary into Treaties going back well over one hundred years. The claims had been received over a number of years and they had arisen out of alleged Treaty obligations. Eskimos had not been included as there were no treaties concerning them and no Eskimo claims had been received or were known.

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During the course of discussion, the following points emerged:

(a) The proposed basis of dealing with the claims was related to the reserve system, treaty obligations and trust concept, which had no counterpart in Eskimo affairs.

(b) The legislation was based on "Indians" as defined by the Indian Act which excluded Eskimos, although the latter had been held by the Supreme Court to be Indians for the purposes of the B.N.A. Act.

(c) If the definition of Indian in the Indian Act was not to be followed, the legislation would have to be redrafted.

(d) As the exclusion of Eskimos could result in criticism and allegations that they were being overlooked, the reasons for this action would need to be carefully explained.

Mr. Nicholson said it was essential to be able to state that while Eskimo claims were not provided for in the proposed legislation, if at some time in the future a sufficient number of Eskimo claims should arise which could not be dealt with through the ordinary courts, consideration would be given to a similar arrangement to ensure equitable treatment for Eskimos.

The Cabinet approved the recommendation of the Minister of Citizenship and Immigration,-

(a) that authority be sought by an item in the 1965-66 Supplementary Estimates A to provide:

(i) for the appointment of Indian advocates and necessary staff to act on behalf of Indian bands in the preparation of documentation for filing claims and in the prosecution of claims before the Indian Claims Commission;

(ii) that a fund be established from which bands might obtain assistance, such assistance to be recovered, without interest, from any award that might be made or from future revenue accruing to the band;

(iii) that the assistance fund be under the direction of the Indian Claims Commission and operated under rules and regulations prescribed by the Commission and approved by the Governor in Council;

(iv) that advances repaid to the fund might be used again to meet the needs of other bands; and

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(b) further agreed that while the bill for disposition of Indian claims should not include provision for Eskimo claims, it could be stated that if, in the future, a sufficient volume of Eskimo claims arose, similar legislation would be considered to ensure equitable treatment for them.

Municipal Winter Works Incentive Program
Saint Benoit du Lac, P.Q.
(Previous reference March 23rd)

The Cabinet had for further consideration a memorandum from the Minister of Labour outlining a claim for reimbursement of wages for friars who worked on winter works projects for the Municipality of Saint Benoit du Lac, P.Q. (Cab. Doc. 129/65, March 17th.) The memorandum had been previously considered on March 23rd and had been deferred until the Minister of Justice was present.

The Minister of Justice said that, while he did not approve personally of the situation, a careful study of the applicable law and regulations led him to the conclusion that the claim should be recognized.

The Cabinet agreed that the claim for reimbursement of wages of friars who worked on winter works projects for the municipality of Saint Benoit du Lac, P.Q., should be met under the Municipal Winter Works Incentive Program.

Off-Shore Mineral Rights

The Prime Minister introduced a memorandum (Cab.Doc. 163/65, March 29th) recommending the submission to the Supreme Court of questions to clarify legal jurisdiction over off-shore mineral rights on the Pacific Coast. A draft order in council for the purpose was attached.

The reference to the Supreme Court in order to establish the legal jurisdiction over off-shore mineral rights had previously been agreed to. A letter had gone to provincial premiers advising them that the review of the replies received from the premiers to the letter of December 11th, 1964, had not altered the considerations that led the federal government to favour reference of the various aspects of the problem to the Supreme Court.

During the course of discussion the following points emerged:

(a) The proposed order in council should be clear concerning the areas that the Supreme Court would be asked to consider. It was important that it should not in any way interfere with the claim by Canada to the waters of Hecate Strait and Dixon Entrance.

(b) Reference to the Supreme Court should be proceeded with as soon as possible.

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(c) Several changes were suggested in the draft letter to the Premier of British Columbia to ensure that there would be no conflict with the undertaking to consult before the reference to the Court was made.

The Cabinet noted the remarks of Ministers concerning the proposed order in council and draft letter to the Premier of British Columbia with regard to jurisdiction over minerals off the Pacific Coast and agreed to discuss the matter further at the Cabinet meeting on April 1st, 1965.

Extension Of The 1962 International
Wheat Agreement

The Minister of Trade and Commerce introduced a memorandum recommending the extension of the 1962 International Wheat Agreement for one year to July 31st, 1966. (Cab. Doc. 156/65.)

The Cabinet approved the recommendation of the Minister of Trade and Commerce that:

(a) the Canadian Ambassador in Washington be authorized to sign, on behalf of the Government of Canada, the Protocol extending the 1962 International Wheat Agreement to July 31st, 1966; and

(b) Canada's instrument of acceptance be deposited following signature.

1965-66 Aid Program To Trinidad

The Secretary of State for External Affairs introduced a memorandum (Cab. Doc 157/65 March 12) recommending approval in principle for the negotiation of a development loan for Trinidad to cover an aerial survey and mapping project which was part of the overall Commonwealth Caribbean Assistance Program approved by the Cabinet on December 15th, 1964. A mapping program was considered basic to the economic planning of Trinidad and Tobago, and for other development purposes of high priority in the country's second five-year plan.

The Cabinet approved in principle the recommendation of the Secretary of State for External Affairs for the negotiation of a development loan plan for Trinidad of up to \$2,315,000, the loan to be finalized after the beginning of the new fiscal year and charged to the 1965-66 development loan funds.

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Export Financing --- Lumber Products To Taiwan

The Minister of Trade and Commerce introduced a memorandum (Cab.Doc. 160/65, March 24) proposing that the Export Credits Insurance Corporation be authorized to extend credit to the amount of \$5 million in Canadian currency to the Vocational Assistance Commission for Retired Servicemen of Taiwan, for the purchase from Canadian Transoceanic Technical Services Limited, and Canadian suppliers, for export from Canada, of engineering and procurement services and equipment for a lumber mill, plywood plant and furniture manufacturing factory. The credit period would be ten years, payments to begin after a period of grace of 2-1/2 years with interest at 6 per cent payable semi-annually. Payment and the availability of foreign exchange would be guaranteed by the Bank of Taiwan. Canadian content of the services and equipment to be exported would be in excess of 80 per cent. While Taiwan's economic position was satisfactory, a considerable political and financial risk lay in the probability of general recognition of Mainland China before the end of the ten year credit period, which could cause the disappearance of Taiwan as an independent state. Recognizing these risks, the Committee on Export Finance had nevertheless recommended approval of the project.

During the discussion the following points were made:

(a) The Minister of National Revenue said that representatives of Canadian Transoceanic had visited him and informed him that it was their intention to import low-cost knocked-down furniture from the Taiwan organization for sale in Canada, thus competing with the Canadian furniture industry.

(b) Several Ministers were of the view that the government would be seriously criticized for providing, in effect, a subsidy for an operation designed to compete directly with key industries in a number of Canadian cities, particularly in Ontario.

(c) Others considered that the most persuasive arguments against the proposal lay in the political uncertainties as to Taiwan's future over the next ten years, and occurrences which might jeopardize repayment of the loan. It was recalled that some \$60 million were still outstanding on the Ming Sung loans, with little possibility of repayment.

(d) Rejection of the present proposal would require the government to refuse all future long-term credit to Taiwan. There would undoubtedly be criticism for having granted credit to Mainland China, a communist country, and denied it to Taiwan, a stable free-enterprise country. Any explanation should emphasize the uncertain future of Taiwan and the fact that credit granted to Mainland China was of a short-term nature.

The Cabinet agreed that the Minister of Trade and Commerce reconsider, in the light of the discussion, the proposal to lend \$5 million to the Vocational Assistance Commission for Retired Servicemen of Taiwan, and determine whether the matter

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should be submitted to the Cabinet again at a later date, possibly on the basis of a shorter credit period.

Dried Whole Egg --- World Food Program
(Previous reference January 13)

The Cabinet approved the recommendation of the Minister of Agriculture (Cab. Doc. 139/65, March 19) that authority be granted to use up to \$150,000 of the remaining \$220,000 presently reserved for canned meat under the World Food Program and that the Agricultural Products Board be authorized to purchase up to an additional 100,000 pounds of dried whole egg to be held to the requirements of the World Food Program, the Board to absorb the cost of storage.

Repatriation Of The Constitution

The Minister of Trade and Commerce said he was concerned that, in his exchange the previous day with the Leader of the Opposition, the Prime Minister laid too much stress on the precedents in which provinces had, in the past sent addresses to the Sovereign. Because the precedents were old, the government's case would have been stronger if it were made in more general terms and rested more on legal and constitutional principle.

The Prime Minister said that, while there was constitutional justification for the action Quebec had taken, he regretted that they had elected to petition the Queen directly on this matter. He was also worried about what might develop out of the strong opposition to the amending formula in Quebec. It would be most unfortunate if the formula was not approved by the province as failure to arrive at a method of amendment could lead to very great inflexibility in the arrangements for amending the Constitution in the future. The government's essential objective should be to ensure that, in the future, the right to amend the Constitution was transferred from Whitehall to Canada.

The Cabinet noted the remarks of the Prime Minister and the Minister of Trade and Commerce with respect to developments in Quebec affecting the formula for amending the Constitution.

Department Of National Defence - Termination of
Rental Agreement In France

The Cabinet endorsed a recommendation of the Treasury Board that the agreement authorized to be entered into under Order in Council of June 3, 1954, P.C. 1954-29/810, with the Societe Civile Immobiliere de la Mertzell for the rental of 443 housing units and 17 school classrooms at St. Avoild, France, be terminated, subject to the following terms and conditions, and on such other terms and conditions as the Minister of National Defence may decide upon:

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(a) the Minister to pay to the Company in return for the termination of the contract an indemnity in the amount of F4,160,093 (\$915,220) less the amount of any rental paid to the Company by the Minister subsequent to January 1, 1965;

(b) the Company, in consideration of such payment, to release the Minister from all liabilities, obligations or claims arising out of the contract or of the Minister's occupancy of the property during the term of the contract; and

(c) the Company to undertake to pay until 30 June 1965 to the Minister fifty per cent of any rentals received by it subsequent to the date of the settlement for those housing units for which no tenants are at that time available.

An order in council was passed accordingly;
(P.C. 1965-2/573, March 30.)

Provisional Accession Of The Government
Of Tunisia to GATT

The Cabinet approved the recommendation of the Secretary of State for External Affairs that he be authorized to execute and issue an instrument of full power authorizing Saul Forbes Rae, Permanent Representative and Ambassador of Canada to the European Office of the United Nations to accept by signature, on behalf of the Government of Canada the procès-verbal done at Geneva in December, 1963, extending to December 31, 1965, the validity of the declaration of November 12, 1959, on the provisional accession of the Government of Tunisia to the General Agreement on Tariffs and Trade.

(An Order in Council was passed accordingly:
P.C. 1965-574, March 30th.)

Lease Of Land To Pine Point Mines Limited
(Previous reference March 25)

The Minister of Northern Affairs and National Resources said that, in March of 1964, a parcel of land was leased under the Territorial Lands Act to Pine Point Mines Limited of Yellowknife for commercial purposes. Owing to an oversight at the time, it had not been recognized that, as the parcel of land exceeded 640 acres, the lease required approval by the Governor in Council. In order to rectify this oversight, an appropriate submission to the Governor in Council was presented. It had been discussed with and approved by the Department of Justice because of its retroactive character.

The Cabinet, on the recommendation of the Minister of Northern Affairs and National Resources, approved the lease of a parcel of land near Pine Point, Northwest Territories, to Pine Point Mines Limited of Yellowknife, for a term of thirty years from May 1, 1963, at a rental of \$1,612.00 per annum.

(An Order in Council was passed accordingly:
P.C. 1965-577, March 30.)

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Transfer Of Oats To Current Pool Period
And Final Payment

The Cabinet approved the recommendations of the Minister of Trade and Commerce:

(a) that the Canadian Wheat Board be authorized to adjust its accounts by transferring to the current pool period oats delivered during the preceding pool period, and by crediting to the accounts of the preceding pool period and charging against the accounts for the current pool period the price per bushel for the said oats; and

(b) that approval be given the amount determined by the Canadian Wheat Board for each bushel for each grade of oats set out in the schedule to the Minister's submission and the distribution of the balance of the moneys remaining in its account in respect of oats purchased by it in the preceding pool period in accordance with the provisions of the Canadian Wheat Board Act.

(Orders in Council were passed accordingly: P.C. 1965-579 and P.C. 1965-580, March 30.)

Payment Of Legal Costs For Mr. And Mrs. Ernest
Bergsma

The President of the Privy Council reported that the Treasury Board had approved the payment of reasonable costs to Mr. and Mrs. Ernest Bergsma in pursuing their case for the granting of Canadian citizenship in a Court of final resort.

The Minister of Citizenship and Immigration said his predecessor, Mr. Tremblay, had made a commitment to the effect that, if the decision made by the High Court of Ontario concerning the Bergsmas, confirming the decision of the Citizenship Court Judge, were sustained in a higher court, the law would be changed. It was the view of the Attorney General of Canada however, that the earlier judgment might be upset in a higher court. It was therefore Mr. Nicholson's view that the Bergsmas should not be required to pay the legal costs of making an appeal to a higher court.

The Cabinet noted with approval the remarks of the President of the Privy Council and the Minister of Citizenship and Immigration concerning payment of legal costs to carry to a higher court an appeal by Mr. and Mrs. Ernest Bergsma concerning the granting of Canadian citizenship.

Proposed Legislation Concerning Co-operatives

The Secretary of State said he had had several requests, particularly from the Province of Quebec, to introduce federal legislation concerning co-operatives, possibly along the lines of the Companies Act, on the grounds that the development of such organizations across the country was being hampered because of the lack of federal legislation. As the Department of State had

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had no experience in this field, it might be desirable to appoint a small advisory committee to study the matter.

The Cabinet noted the remarks of the Secretary of State concerning the desirability of introducing legislation concerning co-operatives, and agreed that a concrete proposal should be submitted to the Cabinet in due course.

Confederation Memorial Centre, Charlottetown, P.E.I.

The Cabinet had for consideration a memorandum of the Secretary of State, Cab. Doc. 164/65 of March 29.

The Secretary of State said that Treasury Board, at a meeting on March 22, 1965, had approved an additional federal grant to Prince Edward Island to assist in financing the Memorial Centre at Charlottetown. The Provincial Government had expressed the hope that the federal government would assume about three-quarters of the annual operating and maintenance costs of the Centre; the amount approved by Treasury Board represented roughly one-third of the annual outlay. It would be expedient for the Prime Minister to write to the other provincial premiers to advise them of the government's decision and to stress the unique character of the Charlottetown Centre in order to forestall claims for assistance elsewhere.

During the discussion it was noted that the provincial government would probably press for additional assistance but it was the consensus that this initial offer should be made and the reaction of the province should be awaited before taking any further steps.

The Cabinet agreed, on the recommendation of the Secretary of State, that the Government of Prince Edward Island be informed that the federal government would be prepared to make an annual grant of \$100,000 for the Confederation Memorial Centre at Charlottetown, P.E.I.

Space For The Press Gallery

The Prime Minister said that recent statements by the Speaker concerning the need to move the Press Gallery offices out of the Centre Block tended improperly to place the responsibility for forcing such a move on the government. He wished to have the matter discussed by the Cabinet at its next meeting on April 1.

Proposed Appointments - Canada Council

The Secretary of State said that the forthcoming retirement of Dr. A.W. Trueman and Mr. Eugene Bussiere as Director and Associate Director of the Canada Council would require the appointment of replacements. While the present Assistant Director of the Council, Mr. Peter Dwyer, was a logical choice to be appointed Director, there had been some pressure for the

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appointment of a French-Canadian to this position. It was generally agreed that Mr. Dwyer would be an excellent replacement for Mr. Bussiere as Associate Director.

Mr. Lamontagne had encountered some difficulty in finding a suitable person of French-Canadian background to fill the position of Director. After careful consideration he had decided that Mr. Jean Boucher of the Civil Service Commission would be the best choice. While Mr. Boucher had not served very long with the Commission, Mr. Sylvain Cloutier of the Committee on Collective Bargaining would be a very good appointee in replacement. Mr. Boucher's training and experience in the social sciences would usefully strengthen those aspects of the Council's work.

The Cabinet approved in principle the appointment of Mr. Jean Boucher and Mr. Peter Dwyer as Director and Associate Director, respectively, of the Canada Council, and authorized the Secretary of State to seek the approval of the prospective appointees for formal consideration by the Cabinet on April 1.

Proposed Appointments To The International Monetary Fund And The World Bank

The Minister of Finance recommended the appointment of Mr. S. Handfield-Jones of the Bank of Canada as Canadian Executive Director of the International Monetary Fund resident in Washington, and of Mr. Denis Hudon of the Department of Finance as Canadian Executive Director of the International Bank for Reconstruction and Development, resident in Ottawa. Both were young and able public servants who had demonstrated their capability of assuming these positions. Their proposed appointments should be kept confidential for the time being.

The Cabinet approved in principle the appointments of:

Mr. S. Handfield-Jones to be Canadian Executive Director of the International Monetary Fund, and

Mr. Denis Hudon to be Canadian Executive Director of the International Bank for Reconstruction and Development.

Appointment: National Parole Board

The Cabinet approved the recommendation of the Minister of Justice that Mr. George Albert Tremblay, Regional Representative, National Parole Board, Montreal, be appointed a member of the National Parole Board for a period of ten years effective April 1, 1965, at a salary of \$19,000 per annum, vice Frank P. Miller resigned.

An order in council was passed accordingly: (P.C. 1965-581, March 30.)

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Proposed Appointment: Centennial Commission

The Cabinet, on the recommendation of the Secretary of State, approved in principle the appointment of Mr. Paul Nisbet DuVal of Winnipeg as Director of the Centennial Commission, vice J.R. Murray, resigned. The appointment would be subject to the Secretary of State securing Mr. DuVal's acceptance.

Judicial Appointment: Province Of Nova Scotia

The Cabinet approved the recommendation of the Minister of Justice that Mr. Ronald M. Fielding of Halifax be appointed a Judge of the Supreme Court of Nova Scotia and Judge of the Court for Divorce and Matrimonial Causes of the Province of Nova Scotia, effective April 6th, 1965.

An order in council was passed accordingly; (P.C. 1965-582, March 30.)

Diplomatic Appointments

The Cabinet approved the recommendations of the Secretary of State for External Affairs:

(a) that Charles Eustace McGaughey be appointed High Commissioner for Canada in Ghana and that Mr. McGaughey be further appointed Ambassador Extraordinary and Plenipotentiary of Canada to the Ivory Coast, Upper Volta, Guinea and Togo; and

(b) that Bertram Charles Butler be appointed High Commissioner for Canada in Malaysia, and that Mr. Butler be further appointed Ambassador Extraordinary and Plenipotentiary of Canada to Burma and Thailand.

Orders in council were passed accordingly; (P.C. 1965-575 and P.C. 1965-576, March 30.)

R.G. Robertson,
Secretary to the Cabinet.